

# House File 2534 - Introduced

HOUSE FILE 2534

BY ISENHART

## A BILL FOR

1 An Act providing for a state assessment for clean water  
2 imposed on agricultural commodities, including procedures  
3 for referendums to establish, continue, or terminate the  
4 state assessment, the transfer of moneys to the department  
5 of agriculture and land stewardship, state sales and use  
6 taxes, the natural resources and outdoor recreation trust  
7 fund, the establishment of a commission and fund, and the  
8 appropriation of moneys.  
9 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

DIVISION I

IOWA DAIRY INDUSTRY COMMISSION AND

IOWA STATE DAIRY ASSOCIATION

Section 1. Section 179.1, Code 2022, is amended by adding the following new subsections:

NEW SUBSECTION. 01. "*Assessment*" means an excise tax on the sale of milk which may include a state assessment for direct use and a state assessment for clean water.

NEW SUBSECTION. 2A. "*Federal Act*" means the Dairy Production Stabilization Act of 1983, 7 U.S.C. §4501 et seq.

NEW SUBSECTION. 3A. "*National assessment*" means an excise tax on the sale of milk imposed pursuant to the federal Act.

NEW SUBSECTION. 10. "*Secretary*" means the secretary of agriculture.

Sec. 2. Section 179.1, subsection 2, Code 2022, is amended to read as follows:

2. ~~The term "*commission*" shall mean~~ "*Commission*" means the Iowa dairy industry commission created in section 179.2.

Sec. 3. Section 179.2, subsections 4, 5, 6, and 7, Code 2022, are amended to read as follows:

4. When a national promotional order is established by the United States department of agriculture pursuant to the ~~Dairy Product Stabilization Act of 1983~~ federal Act, collection of the ~~excise tax~~ state assessment for direct use described in section 179.5 shall be suspended for the period in which the national order is in effect. The commission shall continue to operate thereafter for only the period of time necessary to pay refunds and disburse the ~~funds~~ moneys remaining in the dairy industry fund for ~~the purposes enumerated in~~ administering this chapter. Upon completion of these acts, the existence of the ~~Iowa dairy industry~~ commission shall be suspended. The secretary of agriculture shall certify the suspension of the commission as of a date certain to the ~~Iowa dairy industry~~ commission and the Iowa state dairy association. When the existence of the commission is suspended, the terms of office

1 being served by individual commissioners shall terminate.

2 5. When the national promotional order expires, the period  
 3 of suspension of the ~~excise tax~~ state assessment for direct use  
 4 established in section 179.5 shall terminate and the secretary  
 5 ~~of agriculture~~ shall take the steps necessary to collect that  
 6 ~~excise tax~~ state assessment and otherwise fulfill the duties of  
 7 the commission, except that of expending ~~funds~~ moneys collected  
 8 ~~under the excise tax~~ that state assessment, until those  
 9 duties can be resumed by the reactivated commission. When the  
 10 national promotional order expires, the period of suspension of  
 11 the commission shall terminate. The secretary ~~of agriculture~~  
 12 shall call the first meeting of the reactivated commission.  
 13 Upon reactivation, the commission shall reimburse the secretary  
 14 ~~of agriculture~~ for expenses incurred in carrying out the duties  
 15 provided in this subsection.

16 6. When the national dairy promotion program expires and  
 17 the suspension of the ~~Iowa dairy industry~~ commission terminates  
 18 pursuant to subsection 5, all first purchasers shall, in a  
 19 manner designed to reflect their proportionate contributions  
 20 to the national dairy promotion program in its most recently  
 21 completed fiscal year, nominate two resident producers for each  
 22 of the sixteen offices of the commission. The secretary ~~of~~  
 23 ~~agriculture~~ shall then appoint one nominee from each set of  
 24 two nominees as commissioners of the reactivated ~~Iowa dairy~~  
 25 ~~industry~~ commission. The secretary ~~of agriculture~~ shall  
 26 stagger the terms of the reactivated commission resulting in  
 27 as nearly as possible one third of the commissioners serving  
 28 for one year, one third of the commissioners serving for two  
 29 years, and one third of the commissioners serving for three  
 30 years. After the initial staggering of terms by the secretary,  
 31 commissioners shall be appointed to three-year terms.

32 7. The establishment or expiration of a national  
 33 promotional order shall not affect the imposition of a state  
 34 assessment for clean water established pursuant to section  
 35 179.13A.

1     ~~7.~~ 8. After the reactivated commission has been formed,  
2 nominations for commissioners shall be made by first  
3 purchasers in a manner designed to reflect their proportionate  
4 contributions to the ~~Iowa dairy industry~~ commission in its most  
5 recently completed fiscal year.

6     Sec. 4. Section 179.3, Code 2022, is amended by adding the  
7 following new subsection:

8     NEW SUBSECTION. 10. To cooperate with the division of soil  
9 conservation and water quality of the department of agriculture  
10 and land stewardship in transferring moneys collected from  
11 the state assessment for clean water to the clean water fund  
12 created in section 466B.51.

13     Sec. 5. Section 179.4, Code 2022, is amended to read as  
14 follows:

15     **179.4 ~~Expenditure of funds~~ Use of moneys.**

16     ~~Funds collected through~~ Moneys collected by the commission  
17 from the excise tax are to state assessment for direct use  
18 imposed pursuant to section 179.5 shall be used for purposes  
19 of advertising and promotion, product, process, and nutrition,  
20 dietetics, and physiology research, nutrition education, public  
21 relations, research and development, and for other activities  
22 that contribute to producer efficiency and productivity.

23 In addition, the commission shall use these ~~funds~~ moneys  
24 to maintain existing markets, to make contributions to  
25 organizations working toward the purposes of **this section**,  
26 and to assist in the development of new or enlarged markets  
27 for milk, both domestic and foreign. The primary purpose for  
28 use of these ~~funds~~ moneys is to increase consumption of milk.  
29 The commission may contract for advertising, publicity, sales  
30 promotion, research, and educational services the ~~committee~~  
31 commission deems appropriate to further the objectives of this  
32 section.

33     Sec. 6. Section 179.5, Code 2022, is amended to read as  
34 follows:

35     **179.5 ~~Excise tax~~ State assessments — administration of**

1 moneys — appropriation.

2 1. a. There is ~~levied and imposed an excise tax~~ a state  
3 assessment for direct use on all producers within the state  
4 at a rate of three-fourths of one percent of the gross value  
5 of milk produced in the state and which may be continued by  
6 special referendum as provided in section 179.13A.

7 b. There is imposed a state assessment for clean water on  
8 all producers within the state at a rate established by the  
9 commission not to exceed the rate of the state assessment for  
10 direct use described in paragraph "a", if the state assessment  
11 for clean water is established or continued pursuant to section  
12 179.13A.

13 2. ~~All taxes levied and~~ The state assessment for direct use  
14 and the state assessment for clean water imposed under this  
15 chapter shall be deducted from the sales price received by the  
16 producer and shall be collected by the first purchaser, except  
17 as follows:

18 a. If the producer produces milk from cows and sells the  
19 milk directly to the consumer, ~~the taxes~~ each state assessment  
20 shall be remitted by that producer.

21 b. If the producer sells milk to a first purchaser outside  
22 the state, ~~the taxes are~~ each state assessment is due and  
23 payable by that producer before the shipment is made, except  
24 that the commission may make agreements with extra state  
25 purchasers for the keeping of records and the collection of ~~the~~  
26 ~~taxes~~ each state assessment as necessary to secure the payment  
27 of ~~the taxes~~ each state assessment within the time fixed by  
28 this chapter.

29 3. ~~All taxes levied and~~ The state assessment for direct use  
30 and the state assessment for clean water if established and  
31 imposed under this chapter, and any other contributions made to  
32 the ~~dairy industry~~ commission, shall be paid to and collected  
33 by the commission within thirty days after the end of the month  
34 during which the milk was marketed.

35 4. The commission shall remit moneys collected from

1 the ~~taxes~~ state assessment for direct use and any other  
 2 contributions obtained by the commission to the treasurer of  
 3 the state each quarter, and at the same time shall render to  
 4 the director of the department of administrative services an  
 5 itemized and verified report showing the source from which  
 6 the ~~taxes~~ moneys collected from the state assessment for  
 7 direct use and voluntary contributions were obtained. All  
 8 ~~taxes~~ moneys collected from the state assessment for direct  
 9 use and voluntary contributions received, collected, and  
 10 remitted by the commission shall be placed in a special fund  
 11 by the treasurer of state and the director of the department  
 12 of administrative services, to be known as the "*dairy industry*  
 13 *fund*" to be used by the ~~Iowa dairy industry~~ commission for  
 14 the purposes set out in [this chapter](#) and to administer and  
 15 enforce the laws relative to [this chapter](#). The department of  
 16 administrative services shall transfer moneys from the fund  
 17 to the commission for deposit into an account established  
 18 by the commission in a qualified financial institution.  
 19 The department shall transfer the moneys as provided in a  
 20 resolution adopted by the commission. However, the department  
 21 is only required to transfer moneys once during each day and  
 22 only during hours when the offices of the state are open.  
 23 Moneys deposited in the fund and transferred to the commission  
 24 as provided in [this section](#) are appropriated and shall be used  
 25 for the purpose of carrying out the provisions of [this chapter](#).  
 26 5. The commission may deposit moneys collected from the  
 27 state assessment for clean water in a qualified financial  
 28 institution until transferred to the clean water fund  
 29 created in section 466B.51. During the period when a  
 30 national promotional order is in effect, the Iowa state dairy  
 31 association shall deposit the moneys collected from that  
 32 state assessment in a qualified financial institution until  
 33 transferred to the clean water fund. If the state assessment  
 34 for clean water is terminated as provided in section 179.13A,  
 35 the remaining moneys collected from that state assessment shall

1 be immediately transferred to the clean water fund.

2 6. The commission may require that the invoice also show the  
 3 total amount of any state assessment for direct use deducted  
 4 from the sales price. If a national assessment is being  
 5 collected, the Iowa state dairy association may require that  
 6 the invoice for the national assessment also show the total  
 7 amount of any national assessment, if permitted by federal law.  
 8 If a state assessment for clean water is collected, the first  
 9 purchaser shall furnish the producer at the time of payment an  
 10 invoice showing the total amount of the state assessment for  
 11 clean water deducted from the sales price.

12 ~~4.~~ 7. a. ~~A person from whom the excise tax provided in~~  
 13 ~~this chapter~~ a state assessment for direct use is collected  
 14 may, by application filed with the commission within thirty  
 15 days after the collection of the tax state assessment, have the  
 16 ~~tax~~ state assessment refunded to that person by the commission.

17 b. If a state assessment for direct use is imposed, a person  
 18 from whom a state assessment for clean water is collected  
 19 may file an application for a refund with the commission.  
 20 The application for a refund shall allow the person to elect  
 21 whether the refund is for the state assessment for direct  
 22 use or the state assessment for clean water or both. The  
 23 commission shall not approve an application unless the  
 24 application indicates the election. The commission shall  
 25 forward an approved application for a refund of the state  
 26 assessment to the division of soil conservation and water  
 27 quality for payment.

28 c. If a national assessment is imposed and a refund of the  
 29 national assessment is authorized, a person from whom a state  
 30 assessment for clean water is collected may file an application  
 31 for a refund with the Iowa state dairy association. The  
 32 application shall to the extent allowed by federal law allow  
 33 the person to elect whether the refund is for the national  
 34 assessment or the state assessment for clean water or both.  
 35 The association shall forward the approved application for a

1 refund of the state assessment for clean water to the division  
2 of soil conservation and water quality for payment.

3 Sec. 7. Section 179.6, Code 2022, is amended to read as  
4 follows:

5 **179.6 Records of producers, — first purchasers.**

6 Every producer shipping milk to a first purchaser outside of  
7 Iowa who is not by agreement with the commission collecting the  
8 ~~tax~~ state assessment for direct use or the state assessment for  
9 clean water imposed by [this chapter](#), and every first purchaser  
10 within the state, and every producer distributing milk directly  
11 to the consumer, shall keep a complete and accurate record of  
12 all milk produced or purchased by the person during the period  
13 for which ~~an excise tax levy~~ a state assessment is imposed  
14 under [this chapter](#). The records shall be in the form and  
15 contain the information prescribed by the commission, shall be  
16 preserved by the person charged with their making for a period  
17 of two years, and shall be offered or submitted for inspection  
18 at any time upon written or oral request by the commission or  
19 its duly authorized agent or employee.

20 Sec. 8. Section 179.8, Code 2022, is amended to read as  
21 follows:

22 **179.8 Payment of expenses — limitation.**

23 1. ~~No~~ Any part of the expense incurred by the commission  
24 shall not be paid out of moneys in the state treasury except  
25 moneys transferred to the commission from the dairy industry  
26 fund. Moneys transferred from the fund to the commission, as  
27 provided in [section 179.5](#), shall be used for the payment of  
28 all salaries and other expenses necessary to carry out the  
29 provisions of [this chapter](#). However, in no event shall the  
30 total expenses exceed the total ~~taxes~~ amount collected from the  
31 state assessment for direct use collected and transferred from  
32 the fund to the commission.

33 2. No more than five percent of the ~~excise tax collected~~  
34 moneys collected from the state assessment for direct use and  
35 received by the commission pursuant to [section 179.5](#) shall be



1 utilized for administrative expenses of the commission.

2 Sec. 9. Section 179.9, Code 2022, is amended to read as  
3 follows:

4 **179.9 Investigations by commission.**

5 The commission shall have the power to cause its authorized  
6 agents to enter upon the premises of any person charged by this  
7 chapter or by agreement with the commission with the collection  
8 of ~~the excise tax~~ a state assessment for direct use or a state  
9 assessment for clean water imposed by **this chapter**, and to  
10 cause to be examined by any such agent any books, records,  
11 documents, or other instruments bearing upon the amount of  
12 moneys from such ~~tax~~ state assessment collected or to be  
13 collected by such person; provided that the commission has  
14 reasonable ground to believe that all moneys from the ~~tax~~ state  
15 assessments herein ~~levied has~~ imposed have not been collected,  
16 or if ~~it has~~ they have not been fully accounted for as herein  
17 provided.

18 Sec. 10. Section 179.10, Code 2022, is amended to read as  
19 follows:

20 **179.10 Report.**

21 The commission shall each year prepare and submit a report  
22 summarizing the activities of the commission under **this chapter**  
23 to the auditor of state and the secretary of ~~agriculture~~. The  
24 report shall show all income, expenses, and other relevant  
25 information concerning ~~fees~~ the state assessment for direct  
26 use collected and expended under **this chapter**. The report  
27 shall also show the collection and transfer of moneys received  
28 from any state assessment for clean water imposed under this  
29 chapter.

30 Sec. 11. Section 179.13, Code 2022, is amended to read as  
31 follows:

32 **179.13 ~~Referendum~~ Initial referendum.**

33 1. a. At a time designated by the commission within  
34 eighteen months after termination of the national promotional  
35 order made pursuant to the ~~Dairy Production Stabilization~~

1 federal Act of 1983, 7 U.S.C. §4501 et seq., the commission  
 2 shall conduct a an initial referendum under administrative  
 3 procedures prescribed by the department.

4     2. b. Upon signing a statement certifying to the department  
 5 that the person is a bona fide producer as defined in this  
 6 chapter, each producer is entitled to one vote in each initial  
 7 referendum. When the secretary is required to determine the  
 8 approval or disapproval of producers under this section, the  
 9 secretary shall consider the approval or disapproval of a  
 10 cooperative association of producers, engaged in a bona fide  
 11 manner in marketing milk, as the approval or disapproval of the  
 12 producers who are members of or contract with the cooperative  
 13 association of producers. If a cooperative association  
 14 elects to vote on behalf of its members, the cooperative  
 15 association shall provide each producer on whose behalf the  
 16 cooperative association is expressing approval or disapproval  
 17 with a description of the question presented in the initial  
 18 referendum together with a statement of the manner in which  
 19 the cooperative association intends to cast its vote on behalf  
 20 of the membership. The information shall inform the producer  
 21 of procedures to follow to cast an individual ballot if the  
 22 producer chooses to do so within the period of time established  
 23 by the secretary for casting ballots. The notification shall  
 24 be made at least thirty days prior to the initial referendum  
 25 and shall include an official ballot. The ballots shall be  
 26 tabulated by the secretary and the vote of the cooperative  
 27 association shall be adjusted to reflect the individual votes.

28     3. c. The department shall count and tabulate the ballots  
 29 filed during the initial referendum within thirty days of the  
 30 close of the initial referendum. If from the tabulation the  
 31 department determines that a majority of the total number of  
 32 producers voting in the initial referendum favors the proposal,  
 33 the ~~excise tax~~ state assessment for direct use provided for in  
 34 this chapter shall be continued. The ballots cast pursuant  
 35 to this section constitute complete and conclusive evidence

1 for use in determinations made by the department under this  
2 chapter.

3     ~~4.~~ 2. The secretary may conduct a special referendum at any  
4 time after the ~~Iowa dairy industry~~ commission is reactivated,  
5 and shall ~~hold a~~ conduct a special referendum on request upon  
6 receiving a petition of a representative group comprising ten  
7 percent or more of the number of producers eligible to vote,  
8 to determine whether the producers favor the ~~termination or~~  
9 suspension or termination of the ~~excise tax state assessment~~  
10 for direct use. The secretary shall suspend or terminate  
11 ~~collection of the excise tax within state assessment for direct~~  
12 use no later than six months after the secretary determines  
13 that suspension or termination of the ~~excise tax state~~  
14 assessment is favored by a majority of the producers voting  
15 in the special referendum, and shall suspend or terminate the  
16 ~~excise tax state assessment~~ in an orderly manner as soon as  
17 practicable after the determination.

18     Sec. 12. NEW SECTION. 179.13A **Referendums and special**  
19 **questions — establishment, increase, or termination of state**  
20 **assessment.**

21     1. a. If a state assessment for direct use is established,  
22 and upon receipt of a petition of producers that otherwise  
23 complies with requirements to conduct an initial referendum  
24 under section 179.13, subsection 1, the secretary shall conduct  
25 a special referendum to determine whether to establish a state  
26 assessment for clean water.

27     b. Upon receipt of a petition of producers that otherwise  
28 complies with requirements to conduct an initial referendum  
29 under section 179.13, the secretary shall include as part of  
30 the initial referendum conducted pursuant to section 179.13,  
31 subsection 1, a separate special question whether to establish  
32 a state assessment for clean water, if the secretary determines  
33 the inclusion of the special question is cost-effective or the  
34 petition demands inclusion.

35     c. The secretary shall conduct the special referendum under

1 this subsection or include the special question as part of an  
2 initial or special referendum conducted under section 179.13,  
3 subsection 1, in consultation with the commission and which  
4 may be based on the same procedures for conducting an initial  
5 referendum under section 179.13.

6 *d.* If the secretary determines that the establishment of  
7 a state assessment for clean water is favored by a majority  
8 of the producers voting in a special referendum under this  
9 subsection or in an initial referendum conducted under section  
10 179.13, subsection 1, that includes a special question as  
11 provided in paragraph "b", the state assessment shall commence  
12 on a date determined by the secretary after consultation with  
13 the commission but not later than six months after the date  
14 that the special or initial referendum was conducted.

15 2. *a.* If a national assessment is being collected, and upon  
16 receipt of a petition of producers that otherwise complies with  
17 requirements to conduct an initial referendum under section  
18 179.13, subsection 1, the secretary shall conduct a special  
19 referendum to determine whether to establish a state assessment  
20 for clean water.

21 *b.* Upon receipt of a petition of producers that otherwise  
22 complies with requirements to conduct an initial referendum  
23 under section 179.13, subsection 1, the secretary shall include  
24 as part of the referendum to establish a national assessment,  
25 a separate special question whether to establish a state  
26 assessment for clean water, if the secretary determines the  
27 inclusion of the special question complies with federal law and  
28 either is cost-effective or the petition demands inclusion.

29 *c.* The secretary shall conduct the special referendum under  
30 this subsection or include the special question as part of a  
31 referendum to establish a national referendum in consultation  
32 with the Iowa state dairy association and which may be based on  
33 the same procedures for conducting an initial referendum under  
34 section 179.13, subsection 1, or a referendum to establish a  
35 national assessment.

1     *d.* If the secretary determines that the establishment of a  
2 state assessment for clean water is favored by a majority of  
3 the producers voting in a special referendum conducted under  
4 paragraph "a" or a referendum to establish a national assessment  
5 that includes a special question as provided in paragraph "b",  
6 the state assessment shall commence on a date determined by  
7 the secretary after consultation with the Iowa state dairy  
8 association but not later than six months after the date that  
9 the special referendum or referendum establishing a national  
10 assessment was conducted.

11     3. *a.* If the rate of the national assessment has been  
12 increased, and upon receipt of a petition of producers that  
13 otherwise complies with requirements to conduct an initial  
14 referendum under section 179.13, subsection 1, the secretary  
15 shall conduct a special referendum to determine whether to  
16 increase the rate of the state assessment for clean water to  
17 a rate established by the Iowa state dairy association not to  
18 exceed the rate of the national assessment.

19     *b.* Upon receipt of a petition of producers that otherwise  
20 complies with requirements to conduct an initial referendum  
21 under section 179.13, subsection 1, the secretary shall include  
22 as part of a referendum to increase the rate of the national  
23 assessment, a separate special question whether to increase  
24 the rate of the state assessment for clean water at a rate  
25 established by the Iowa state dairy association not to exceed  
26 the increase in the national assessment, if the secretary  
27 determines the inclusion of the special question complies  
28 with federal law and is either cost-effective or the petition  
29 demands inclusion.

30     *c.* The secretary shall conduct the special referendum under  
31 this subsection, or include the special question as part of a  
32 referendum to increase the national assessment, in consultation  
33 with the Iowa state dairy association and which may be based on  
34 the same procedures for conducting an initial referendum under  
35 section 179.13, subsection 1, or a referendum to increase the

1 rate of the national assessment.

2     *d.* If the national assessment is increased, and the  
3 secretary determines that an increase in the state assessment  
4 for clean water is favored by a majority of the producers  
5 voting in a special referendum or referendum to increase  
6 the rate of the national assessment, the rate of the state  
7 assessment shall be increased on a date determined by the  
8 secretary after consultation with the Iowa state dairy  
9 association but not later than six months after the date that  
10 the special referendum or referendum establishing a national  
11 assessment was conducted. If a special referendum or special  
12 question to increase the rate of the state assessment for clean  
13 water does not pass, the result of the vote shall not affect  
14 the existence or length of the period when the state assessment  
15 is in effect.

16     4. *a.* If a state assessment for direct use is imposed,  
17 and upon receipt of a petition of producers that otherwise  
18 complies with requirements to conduct a special referendum  
19 under section 179.13, subsection 2, the secretary shall conduct  
20 a special referendum to determine whether to terminate the  
21 state assessment for clean water.

22     *b.* Upon receipt of a petition of producers that otherwise  
23 complies with requirements to conduct a special referendum  
24 under section 179.13, subsection 2, the secretary shall include  
25 as part of a special referendum to suspend or terminate the  
26 state assessment for direct use conducted pursuant to section  
27 179.13, subsection 2, a separate special question whether  
28 to terminate the state assessment for clean water, if the  
29 secretary determines the inclusion of the special question is  
30 cost-effective or the petition demands inclusion.

31     *c.* The secretary shall conduct the special referendum under  
32 this subsection or include the special question as part of a  
33 special referendum conducted under section 179.13, subsection  
34 2, in consultation with the commission and which may be based  
35 on the same procedures for conducting a special referendum

1 under section 179.13, subsection 2.

2     *d.* If the secretary determines that the termination of  
3 a state assessment for clean water is favored by a majority  
4 of the producers voting in a special referendum under this  
5 subsection, or a special referendum conducted under section  
6 179.13, subsection 2, the state assessment shall terminate on a  
7 date determined by the secretary after consultation with the  
8 commission but not later than six months after the date that  
9 the special or initial referendum was conducted. The secretary  
10 shall terminate the state assessment in an orderly manner as  
11 soon as practical.

12     5. The secretary shall terminate the state assessment for  
13 clean water upon determining that the state assessment for  
14 direct use and the national assessment are terminated. The  
15 secretary shall terminate the state assessment for clean water  
16 in an orderly manner as soon as practical.

17                                   DIVISION II

18     IOWA BEEF CATTLE PRODUCERS ASSOCIATION — EXECUTIVE COMMITTEE

19     Sec. 13. Section 181.1, subsection 10, Code 2022, is amended  
20 to read as follows:

21     10. "*State assessment*" means an excise tax on the sale of  
22 cattle imposed pursuant to ~~this chapter~~ which may include a  
23 state assessment for direct use and a state assessment for  
24 clean water.

25     Sec. 14. Section 181.2, Code 2022, is amended by adding the  
26 following new subsection:

27     NEW SUBSECTION. 5. Cooperate with the division of soil  
28 conservation and water quality of the department of agriculture  
29 and land stewardship in transferring moneys collected from  
30 the state assessment for clean water to the clean water  
31 fund created in section 466B.51 and for being reimbursed for  
32 reasonable expenses incurred in conducting an initial or  
33 special referendum to establish, continue, or terminate a state  
34 assessment for clean water.

35     Sec. 15. Section 181.7A, Code 2022, is amended to read as

1 follows:

2     **181.7A Commencement of federal assessment — suspension and**  
3 **recommencement of state assessment — rate.**

4     1. Prior to the commencement of the collection of  
5 the federal assessment, the executive committee may seek  
6 certification as a qualified state beef council within the  
7 meaning of the federal Act.

8     2. The executive committee shall suspend the state  
9 assessment for direct use upon collection of the federal  
10 assessment. The state assessment for direct use shall  
11 recommence upon the earlier of the following:

12     a. The noncollection of the federal assessment. The  
13 recommenced state assessment for direct use shall be imposed  
14 for a four-year period. Its effective date shall be the first  
15 date for which the federal assessment is not collected.

16     b. The passage of a special referendum pursuant to section  
17 181.19 regardless of whether a federal assessment is being  
18 collected.

19     3. The rate of the recommenced state assessment shall be the  
20 same as the rate that was last in effect under [section 181.19](#)  
21 immediately prior to the suspension of the state assessment.

22     4. The state assessment for clean water shall continue to be  
23 imposed during any period of suspension of the state assessment  
24 for direct use so long as the state assessment for clean water  
25 is not terminated pursuant to section 181.19A.

26     Sec. 16. Section 181.8, Code 2022, is amended to read as  
27 follows:

28     **181.8 Executive committee — entering premises — examining**  
29 **records.**

30     The executive committee may authorize its agents to enter  
31 at a reasonable time upon the premises of any purchaser  
32 charged by [this chapter](#) with remitting ~~the~~ a state assessment  
33 for direct use or a state assessment for clean water to the  
34 executive committee, ~~and to~~. The agents may examine records  
35 and other instruments relating to the collection of the a state



1 assessment. However, the executive committee must first have  
2 reasonable grounds to believe that ~~the~~ a state assessment has  
3 not been remitted or fully accounted for.

4 Sec. 17. Section 181.11, Code 2022, is amended to read as  
5 follows:

6 **181.11 Collection of state ~~assessment~~ assessments.**

7 1. A state assessment for direct use or a state assessment  
8 for clean water imposed as provided in this chapter shall be  
9 levied and collected from the purchaser on each sale of cattle  
10 at a rate provided in this chapter. The state assessment for  
11 direct use or a state assessment for clean water shall be  
12 imposed on any person selling cattle and shall be deducted  
13 by the purchaser from the price paid to the seller. The  
14 purchaser, at the time of the sale, shall make and deliver to  
15 the seller a separate invoice for each sale showing the names  
16 and addresses of the seller and the purchaser, the number of  
17 cattle sold, and the date of sale. The purchaser shall forward  
18 the state assessment for direct use and any state assessment  
19 for clean water to the executive committee at a time prescribed  
20 by the executive committee, but not later than the last day of  
21 the month following the end of the prior reporting period in  
22 which the cattle are sold.

23 2. The executive committee may enter into arrangements with  
24 persons purchasing cattle outside of this state for remitting  
25 the state assessment for direct use and any state assessment  
26 for clean water by such purchasers.

27 Sec. 18. Section 181.12, Code 2022, is amended to read as  
28 follows:

29 **181.12 Remission of state ~~assessment~~ assessments on**  
30 **application.**

31 1. a. A person from whom a state assessment for direct  
32 use is collected may, by written application filed with the  
33 executive committee within ninety days after its collection,  
34 have the amount remitted to the person by the executive  
35 committee.

1 b. A person from whom a state assessment for clean water is  
 2 collected may, by written application filed with the council  
 3 as provided in paragraph "a", have the amount remitted to the  
 4 person by the division of soil conservation and water quality  
 5 of the department of agriculture and land stewardship. Within  
 6 sixty days after its collection, the council shall transmit any  
 7 approved application to the division for a refund payment.

8 2. The information that the a state assessment described  
 9 in subsection 1 is refundable and the address of the executive  
 10 committee to which application for a refund may be made shall  
 11 appear on the invoice of sale form supplied by the purchaser to  
 12 the producer near the area on the form which shows the amount  
 13 of the state assessment paid.

14 3. a. The executive committee shall furnish uniform  
 15 application for refund forms and make the refund forms readily  
 16 available to all producers.

17 b. The form shall allow the applicant to elect whether the  
 18 refund is for the state assessment for direct use or the state  
 19 assessment for clean water or both. The council shall not  
 20 approve an application unless the application indicates the  
 21 election. A purchaser charged by this chapter with remitting  
 22 the a state assessment shall make the forms readily available  
 23 to all producers.

24 Sec. 19. Section 181.13, Code 2022, is amended to read as  
 25 follows:

26 **181.13 Administration of moneys originating from state**  
 27 **~~assessment~~ assessments — appropriation.**

28 1. a. All moneys, other than moneys from the state  
 29 ~~assessments imposed,~~ collected assessment for clean water under  
 30 this chapter shall be paid to and collected by the executive  
 31 committee and deposited with the treasurer of state in a  
 32 separate cattle promotion fund which shall be created by the  
 33 treasurer of state. The department of administrative services  
 34 shall transfer moneys from the fund to the executive committee  
 35 for deposit into an account established by the executive

1 committee in a qualified financial institution. The department  
 2 shall transfer the moneys as provided in a resolution adopted  
 3 by the executive committee. However, the department is only  
 4 required to transfer moneys once during each day and only  
 5 during hours when the offices of the state are open. From  
 6 the moneys, other than moneys from the state assessment for  
 7 clean water, collected, deposited, and transferred to the  
 8 executive committee, in accordance with the provisions of this  
 9 chapter, the executive committee shall first pay the costs  
 10 of referendums held pursuant to [this chapter](#), the costs of  
 11 collection of such state assessments, and the expenses of its  
 12 agents. At least ten percent of the remaining moneys shall  
 13 be remitted to the association in proportions determined by  
 14 the executive committee, for use in a manner not inconsistent  
 15 with [section 181.7](#). The remaining moneys, with approval of a  
 16 majority of the executive committee, shall be expended as the  
 17 executive committee finds necessary to carry out the provisions  
 18 and purposes of [this chapter](#). However, in no event shall the  
 19 total expenses exceed the total amount transferred from the  
 20 fund for use by the executive committee.

21 ~~2.~~ b. All moneys deposited in the cattle promotion fund and  
 22 transferred to the executive committee pursuant to [this section](#)  
 23 are appropriated and shall be used for the administration  
 24 of [this chapter](#) and for the payment of claims based upon  
 25 obligations incurred in the performance of activities and  
 26 functions set forth in [this chapter](#).

27 ~~3.~~ c. If the state assessment for direct use is suspended  
 28 as provided in [section 181.7A](#) or a continuance special  
 29 referendum to continue the state assessment for clean water  
 30 fails to pass as provided in [section 181.19A](#), moneys remaining  
 31 in the cattle promotion fund and transferred to the executive  
 32 committee shall continue to be transferred and expended in  
 33 accordance with the provisions of [this chapter](#) until exhausted.

34 2. a. All moneys collected from the state assessment for  
 35 clean water imposed under this chapter shall be paid to and

1 collected by the executive committee and may be deposited in a  
 2 qualified financial institution until transferred to the clean  
 3 water fund created in section 466B.51. If the state assessment  
 4 for clean water is terminated as provided in section 181.19A,  
 5 the remaining moneys collected from that state assessment shall  
 6 be immediately transferred to the clean water fund.

7 b. Except as otherwise expressly provided in this chapter,  
 8 moneys collected from the state assessment for clean water  
 9 shall not be used for any purpose other than to be transferred  
 10 to the clean water fund created in section 466B.51.

11 Sec. 20. Section 181.19, Code 2022, is amended to read as  
 12 follows:

13 **181.19 Initial and special referendums.**

14 1. The secretary shall, upon the petition of five hundred  
 15 producers, conduct an initial referendum to determine whether  
 16 a state assessment for direct use is to be established. If  
 17 established, the state assessment for direct use shall be  
 18 imposed, at a rate established by the executive committee  
 19 not to exceed one dollar per head on all cattle sold for any  
 20 purpose.

21 2. The secretary shall, upon the petition of five hundred  
 22 producers, conduct a special referendum to do any of the  
 23 following:

24 a. Determine whether a state assessment for direct use  
 25 already imposed shall be increased to a rate, established by  
 26 the executive committee, not to exceed one dollar per head on  
 27 all cattle sold for any purpose.

28 b. Determine whether a state assessment for direct use  
 29 suspended pursuant to [section 181.7A](#) is to be in addition to a  
 30 federal assessment. The state assessment for direct use shall  
 31 be imposed at a rate not to exceed one dollar per head on all  
 32 cattle sold for whatever purpose.

33 3. a. Upon receipt of a petition that otherwise complies  
 34 with the requirements of subsection 1, the secretary shall  
 35 conduct a special referendum to establish a state assessment

1 for clean water to be imposed in the same manner as a state  
2 assessment for direct use.

3 b. The rate of the state assessment for clean water shall  
4 be established by the executive committee not to exceed the  
5 rate of the state assessment for direct use in effect on the  
6 date that the special referendum to impose a state assessment  
7 for clean water passes. However, if a federal assessment is  
8 imposed, the rate of the state assessment for clean water shall  
9 be established by the executive committee not to exceed the  
10 rate of the federal assessment. If a state assessment for  
11 direct use and a federal assessment are both being imposed,  
12 the rate of the state assessment for clean water shall be  
13 established by the executive committee not to exceed the rate  
14 of the state assessment for direct use plus the rate of the  
15 federal assessment

16 4. Upon receipt of a petition that otherwise complies with  
17 the requirements of subsection 1, the secretary shall include  
18 as part of the initial referendum a separate special question  
19 whether to establish a state assessment for clean water as  
20 described in subsection 3, if the secretary determines the  
21 inclusion of the special question is cost-effective or the  
22 petition demands inclusion.

23 5. a. Upon receipt of a petition that otherwise complies  
24 with the requirements of subsection 2, the secretary shall  
25 conduct a special referendum to change the rate of the state  
26 assessment for clean water to be established by the executive  
27 committee not to exceed the rate of the state assessment  
28 for direct use and any federal assessment as described in  
29 subsection 2.

30 b. Upon receipt of a petition that otherwise complies with  
31 the requirements of subsection 2, the secretary shall include  
32 as part of the special referendum conducted under subsection  
33 2 a separate special question whether to change the rate of  
34 the state assessment for clean water to be established by  
35 the executive committee not to exceed the rate of the state

1 assessment for direct use and any federal assessment as  
 2 described in subsection 2, if the secretary determines the  
 3 inclusion of the special question is cost-effective or the  
 4 petition demands inclusion.

5     6. a. If a an initial referendum or a special referendum  
 6 described in this section passes, the secretary shall establish  
 7 an effective date to commence the state assessment for direct  
 8 use or the change in the rate of the state assessment for  
 9 direct use. However, the state assessment or the change in the  
 10 rate of the state assessment must be commenced within ninety  
 11 days from the date that the secretary determines that the  
 12 referendum has passed.

13     b. If a state assessment for clean water is established  
 14 or the rate of the state assessment for clean water changes  
 15 under this section, the secretary shall establish an effective  
 16 date to commence the state assessment or change the rate of the  
 17 state assessment in the same manner as provided in paragraph  
 18 "a".

19     ~~4.~~ 7. a. If a special referendum to increase the rate of  
 20 the state assessment for direct use does not pass, the result  
 21 of the special referendum shall not affect the existence or  
 22 length of the state assessment that is in effect on the date  
 23 that the special referendum was conducted.

24     b. If a special referendum, or a separate special question  
 25 that is part of a special referendum conducted under this  
 26 section, to change the rate of the state assessment for clean  
 27 water does not pass, the result of the vote shall not affect  
 28 the existence or period that the state assessment is in effect.

29     8. A state assessment for clean water is terminated on the  
 30 date that the state assessment for direct use is terminated,  
 31 unless a federal assessment is imposed.

32     Sec. 21. Section 181.19A, Code 2022, is amended to read as  
 33 follows:

34     181.19A Continuance—referendum Special referendums —  
 35 continuance or termination.

1     1. The secretary shall, upon the receipt of a petition  
 2 of producers, conduct a ~~continuance~~ special referendum to  
 3 determine whether a state assessment for direct use established  
 4 in section 181.19 should be ~~renewed~~ continued. The secretary  
 5 must receive the petition not less than one hundred fifty and  
 6 not more than two hundred forty days before the four-year  
 7 anniversary of ~~a state assessment's~~ the effective date of  
 8 the state assessment for direct use. The petition must be  
 9 signed within that period by a number of producers equal to  
 10 or greater than two percent of the number of producers in  
 11 this state reported in the most recent United States census  
 12 of agriculture, requesting a special referendum to determine  
 13 whether to continue the state assessment for direct use.  
 14 The special referendum shall be conducted not earlier than  
 15 thirty days before the four-year anniversary date of the state  
 16 assessment for direct use.

17     2. a. The secretary shall, upon receipt of a petition  
 18 of producers otherwise complying with the requirements of  
 19 subsection 1, conduct a special referendum to determine whether  
 20 the state assessment for clean water established in section  
 21 181.19 should be continued. The special referendum shall be  
 22 conducted in the same manner as a special referendum conducted  
 23 under subsection 1.

24     b. The secretary shall, upon receipt of a petition complying  
 25 with the requirements of subsection 1, include as part of a  
 26 special referendum provided in subsection 1 a separate special  
 27 question whether a state assessment for clean water should be  
 28 continued, if the secretary determines the inclusion of the  
 29 separate special question is cost-effective or the petition  
 30 demands inclusion.

31     ~~2.~~ 3. a. If the secretary determines that a ~~continuance~~  
 32 special referendum has passed under subsection 1, the state  
 33 assessment for direct use shall continue in effect for four  
 34 additional years from the anniversary of its effective date.

35     b. If the secretary determines that a special referendum

1 or special question to continue the state assessment for clean  
 2 water has passed under subsection 2, the state assessment shall  
 3 be in effect until the anniversary of the effective date of the  
 4 state assessment for direct use described in paragraph "a".

5 ~~3.~~ 4. a. If the secretary determines that the a special  
 6 referendum to continue the state assessment for direct use has  
 7 not passed, the secretary and the executive committee shall  
 8 terminate the state assessment in an orderly manner as soon as  
 9 practicable after the determination.

10 b. If the secretary determines that a special referendum to  
 11 continue the state assessment for clean water has not passed,  
 12 the secretary and the executive committee shall terminate the  
 13 state assessment in the same manner as described in paragraph  
 14 "a".

15 c. A state assessment for clean water is terminated on the  
 16 date that the state assessment for direct use is terminated,  
 17 unless a federal assessment is imposed.

18 5. a. ~~Another~~ If the secretary determines that a special  
 19 referendum to continue the state assessment for direct use has  
 20 not passed, another initial referendum conducted under section  
 21 181.19 to determine whether to establish a state assessment  
 22 for direct use shall not be held conducted for at least one  
 23 hundred eighty days from the date that the state assessment is  
 24 terminated.

25 b. If the secretary determines that a special referendum to  
 26 continue the state assessment for clean water has not passed,  
 27 another special referendum to establish the state assessment or  
 28 another initial or special referendum that includes a separate  
 29 special question to establish the state assessment shall not be  
 30 conducted for at least one hundred eighty days from the date  
 31 that the state assessment was terminated.

32 ~~4.~~ 6. If ~~no~~ a valid petition for a continuance referendum  
 33 provided in this section is not received by the secretary  
 34 within the time period provided in this section, the state  
 35 assessment for direct use or the state assessment for clean



1 water shall continue in effect for four additional years from  
2 the anniversary of ~~its~~ the effective date of the initial  
3 referendum establishing the state assessment for direct use.

4 DIVISION III

5 IOWA SHEEP AND WOOL PROMOTION BOARD

6 Sec. 22. Section 182.1, subsection 1, Code 2022, is amended  
7 to read as follows:

8 1. "*Assessment*" means an excise tax on the sale of sheep  
9 or wool ~~as provided in this chapter~~ which may include an  
10 assessment for direct use and a state assessment for clean  
11 water.

12 Sec. 23. Section 182.1, Code 2022, is amended by adding the  
13 following new subsection:

14 NEW SUBSECTION. 6A. "*Qualified financial institution*" means  
15 a bank or credit union as those terms are defined in section  
16 12C.1.

17 Sec. 24. Section 182.2, Code 2022, is amended to read as  
18 follows:

19 **182.2 Petition for initial referendum election.**

20 Upon receipt of a petition signed by at least fifty producers  
21 in each district requesting a an initial referendum ~~by election~~  
22 to determine whether to establish the board and to impose an  
23 assessment for direct use, the secretary shall call a the  
24 initial referendum to be conducted within sixty days following  
25 receipt of the petition.

26 Sec. 25. Section 182.3, Code 2022, is amended to read as  
27 follows:

28 **182.3 Notice of initial referendum.**

29 1. The secretary shall give notice of the initial referendum  
30 on the question of whether to establish an Iowa sheep and wool  
31 promotion board ~~and to impose the~~ an assessment for direct use  
32 by publishing the notice for a period of not less than five  
33 days in at least one newspaper of general circulation in the  
34 state. The notice shall state the voting places, period of  
35 time for voting, and other information deemed necessary by the

1 secretary.

2 2. A An initial referendum shall not be commenced until five  
3 days after the last date of publication.

4 Sec. 26. Section 182.4, Code 2022, is amended to read as  
5 follows:

6 **182.4 Establishment of sheep and wool promotion board —**  
7 **assessment assessments — termination.**

8 1. Each producer who signs a statement certifying that  
9 the producer is a bona fide producer is entitled to one vote  
10 in an initial referendum conducted under this section. At  
11 the close of the initial referendum, the secretary shall  
12 count and tabulate the ballots cast. If a majority of voters  
13 favor establishing an Iowa sheep and wool promotion board and  
14 ~~imposing~~ establishing an assessment for direct use, an Iowa  
15 ~~sheep and wool promotion~~ the board and assessment shall be  
16 established. The assessment for direct use shall be imposed  
17 commencing not more than sixty days following the initial  
18 referendum as determined by the ~~Iowa sheep and wool promotion~~  
19 board, and shall continue until the board and assessment for  
20 direct use are terminated by a special referendum ~~as provided~~  
21 ~~in~~ conducted pursuant to subsection 2 4.

22 2. a. If the board is in existence, and upon receipt of  
23 a petition signed by at least twenty-five producers in each  
24 district requesting a special referendum to determine whether  
25 to establish a state assessment for clean water, the secretary  
26 shall call the special referendum to be conducted in the same  
27 manner as provided in subsection 1.

28 b. If a board is not in existence, and upon receipt of a  
29 petition that complies with the requirements of paragraph "a",  
30 the secretary shall include as part of the initial referendum  
31 a separate special question whether to establish a state  
32 assessment for clean water, if the secretary determines the  
33 inclusion of the special question is cost-effective or the  
34 petition demands inclusion.

35 c. If a majority of voters favor establishing the state

1 assessment for clean water, the state assessment shall be  
 2 imposed in the same manner and for the same period as the  
 3 assessment for direct use described in subsection 1.

4 3. a. If a majority of the voters do not favor establishing  
 5 ~~an Iowa sheep and wool promotion~~ a board and imposing the an  
 6 assessment for direct use, the board and an assessment shall  
 7 not be established, and the assessment shall not be imposed  
 8 ~~and the board shall not be established~~ until another initial  
 9 ~~referendum is held~~ conducted under this chapter and a majority  
 10 of the voters favor establishing a board and ~~imposing the~~  
 11 an assessment. If a an initial referendum fails, another  
 12 referendum shall not be ~~held within~~ conducted for at least  
 13 one hundred eighty days from the date of the last initial  
 14 referendum.

15 b. If a majority of the voters do not favor establishing  
 16 a state assessment for clean water, the state assessment  
 17 shall not be established until another special referendum, or  
 18 another separate special question that is part of an initial  
 19 referendum, is conducted under this chapter and a majority  
 20 of the voters favor establishing the state assessment. If a  
 21 special referendum or special question fails, another special  
 22 referendum or initial referendum which includes a special  
 23 question shall not be conducted within one hundred eighty days  
 24 from the date that the last such special referendum or initial  
 25 referendum was conducted.

26 ~~2.~~ 4. Upon receipt of a petition signed by at least  
 27 twenty-five producers in each district requesting a special  
 28 referendum election to determine whether to terminate the  
 29 establishment of the ~~Iowa sheep and wool promotion~~ board and  
 30 ~~to terminate the imposition of the~~ and the assessment for  
 31 direct use, the secretary shall call a special referendum to  
 32 be conducted within sixty days following the receipt of the  
 33 petition. The petitioners shall guarantee the payment of the  
 34 costs of a the special referendum held conducted under this  
 35 subsection. If the majority of the voters of a voting at the

1 special referendum do not favor termination, an additional  
2 special referendum may be held conducted when the secretary  
3 receives a petition signed by at least twenty-five producers in  
4 each district. However, the additional referendum shall not be  
5 held within conducted for at least one hundred eighty days from  
6 the date of the last such special referendum.

7     5. a. Upon receipt of a petition that otherwise complies  
8 with the requirements of subsection 4 requesting a special  
9 referendum election to determine whether to terminate the  
10 establishment of the state assessment for clean water, the  
11 secretary shall call a special referendum to be conducted in  
12 the same manner as provided in subsection 4.

13     b. Upon receipt of a petition that otherwise complies  
14 with the requirements of subsection 4, the secretary shall  
15 include as part of the special referendum conducted under that  
16 subsection a separate special question whether to terminate the  
17 state assessment for clean water, if the secretary determines  
18 the inclusion of the special question is cost-effective or the  
19 petition demands inclusion.

20     c. The petitioners shall guarantee the payment of the costs  
21 of the special referendum conducted under this subsection.

22     d. If the majority of the voters of a special referendum  
23 conducted under this subsection do not favor termination,  
24 an additional special referendum may be conducted when  
25 the secretary receives a petition complying with the same  
26 requirements as described in this subsection. However, the  
27 additional special referendum shall not be conducted for at  
28 least one hundred eighty days from the date of the last such  
29 special referendum.

30     6. A state assessment for clean water is terminated on the  
31 date that the assessment for direct use is terminated. The  
32 secretary shall terminate the state assessment in an orderly  
33 manner as soon as practical.

34     Sec. 27. Section 182.11, Code 2022, is amended to read as  
35 follows:

1     **182.11 Purposes of board.**

2     1. The purposes of the board shall be to:

3     ~~1.~~ a. Enter into contracts or agreements with or make  
4 grants to recognized and qualified agencies, individuals,  
5 or organizations for the development and carrying out of  
6 research and education programs directed toward better and more  
7 efficient production, marketing, and utilization of sheep and  
8 wool and their products.

9     ~~2.~~ b. Provide methods and means, including, but not limited  
10 to, public relations and other promotion techniques for the  
11 maintenance of present markets.

12    ~~3.~~ c. Assist in development of new or larger markets, both  
13 domestic and foreign, for sheep and wool and their products.

14    2. The board shall cooperate with the division of soil  
15 conservation and water quality of the department of agriculture  
16 and land stewardship in doing all of the following:

17    a. Transferring moneys collected from the state assessment  
18 for clean water to the clean water fund created in section  
19 466B.51.

20    b. Being reimbursed for reasonable expenses incurred in  
21 conducting an initial or special referendum to establish,  
22 continue, or terminate a state assessment for clean water.

23    Sec. 28. Section 182.13, Code 2022, is amended to read as  
24 follows:

25    **182.13 Compensation — meetings.**

26    Members of the board may receive payment for their actual  
27 expenses and travel in performing official board functions.  
28 Payment shall be made from amounts collected from the  
29 assessment for direct use. ~~No~~ A member of the board shall not  
30 be a salaried employee of the board or any organization or  
31 agency receiving ~~funds~~ moneys collected from the board. The  
32 board shall meet at least once every three months, and at other  
33 times it deems necessary.

34    Sec. 29. Section 182.13B, Code 2022, is amended to read as  
35 follows:

1     **182.13B   Assessment ~~rate~~ rates.**

2     1. a. If a majority of voters voting at a an initial  
 3 referendum conducted pursuant to [section 182.4](#) approve the  
 4 establishment of an ~~Iowa sheep and wool promotion~~ the board and  
 5 ~~the imposition of~~ an assessment for direct use, the assessment  
 6 shall be imposed on wool and sheep at the following rates:

7     ~~a.~~ (1) For wool, two cents imposed on each pound of wool  
 8 sold by a producer.

9     ~~b.~~ (2) For sheep, ten cents imposed on each head of sheep  
 10 sold by a producer.

11    b. If a majority of voters voting at a special referendum  
 12 conducted pursuant to [section 182.4](#) approve the establishment  
 13 of a state assessment for clean water, the state assessment  
 14 shall be imposed on wool and sheep at the rates established by  
 15 board resolution not to exceed the rates described in [paragraph](#)  
 16 "a".

17    2. a. (1) Notwithstanding [subsection 1](#), upon a resolution  
 18 adopted by the board, the secretary shall call a special  
 19 referendum for voters to authorize increasing the ~~assessment~~  
 20 rate of the assessment for direct use imposed on sheep as  
 21 provided in [this section](#).

22    (2) Notwithstanding [subsection 1](#), upon a resolution adopted  
 23 by the board, the secretary shall call a special referendum for  
 24 voters to authorize increasing the rate of the state assessment  
 25 for clean water imposed on sheep as provided in this section.

26    (3) The secretary shall include as part of the special  
 27 referendum to increase the rate of the assessment for direct  
 28 use as described in subparagraph (1), a separate special  
 29 question whether to increase the rate of the state assessment  
 30 for clean water as described in subparagraph (2), if the  
 31 secretary determines the inclusion of the special question is  
 32 cost-effective or the resolution demands inclusion.

33    b. The special referendum to increase the rate of the  
 34 assessment for direct use or to increase the rate of the state  
 35 assessment for clean water as described in [paragraph "a"](#) shall

1 be conducted in the same manner as a an initial referendum  
 2 conducted upon receipt of a petition as provided in ~~this~~  
 3 ~~chapter~~ section 182.4, unless otherwise provided in the board's  
 4 resolution. Only producers are eligible to vote in ~~an election~~  
 5 the special referendum and each producer is entitled to one  
 6 vote.

7 3. a. The special referendum to increase the rate of the  
 8 assessment for direct use conducted pursuant to subsection 2  
 9 shall allow a voter to cast a ballot for the following two  
 10 questions:

11 ~~a.~~ (1) For the first question, whether to authorize an  
 12 increase in the rate of assessment rate for direct use to  
 13 twenty-five cents imposed on each head of sheep.

14 ~~b.~~ (2) For the second question, if the first question is  
 15 approved by a majority of voters, whether to also authorize the  
 16 board to increase ~~that assessment~~ the rate of the assessment  
 17 for direct use by future resolution as provided in this  
 18 section.

19 b. The special referendum to increase the rate of the state  
 20 assessment for clean water conducted pursuant to subsection  
 21 2 shall allow a voter to cast a ballot for the following two  
 22 questions:

23 (1) For the first question, whether to authorize an increase  
 24 in the rate of state assessment for clean water to a rate  
 25 established by board resolution not to exceed the increased  
 26 rate of assessment for direct use described in paragraph "a",  
 27 subparagraph (1).

28 (2) For the second question, if the first question is  
 29 approved by a majority of voters, whether to also authorize the  
 30 board to increase that rate of state assessment for clean water  
 31 by future resolution as provided in this section.

32 c. A state assessment for clean water shall not be  
 33 effective if the state assessment exceeds the assessment for  
 34 direct use.

35 4. a. If a majority of voters approve the first question to

1 increase the rate of the assessment for direct use as described  
 2 in subsection 3, paragraph "a", subparagraph (1), twenty-five  
 3 cents shall be imposed on each head of sheep sold by a producer  
 4 as effectuated by the board pursuant to [section 182.12](#).

5 b. If a majority of voters approve the first question to  
 6 increase the rate of the state assessment for clean water as  
 7 described in subsection 3, paragraph "b", subparagraph (1),  
 8 the increased rate shall be imposed on each head of sheep sold  
 9 by a producer as effectuated by the board pursuant to section  
 10 182.12.

11 5. a. If a majority of voters approve both the first and  
 12 second questions to increase the rate of the assessment for  
 13 direct use under subsection 3, paragraph "a", subparagraphs (1)  
 14 and (2), all of the following apply:

15 ~~a. (1) Twenty-five~~ The rate of the assessment for direct  
 16 use shall equal twenty-five cents ~~shall be~~ imposed on each  
 17 head of sheep sold by a producer as ~~effectuated by the board~~  
 18 ~~pursuant to [section 182.12](#).~~

19 ~~b. (2) The board may adopt one or more resolutions to~~  
 20 further impose an increased rate of assessment ~~rate~~ for direct  
 21 use.

22 b. If a majority of voters approve increasing the rate of  
 23 state assessment for clean water as described in subsection 3,  
 24 paragraph "b", subparagraphs (1) and (2), all of the following  
 25 apply:

26 (1) The rate of the state assessment for clean water shall  
 27 equal the increase described in subsection 3, paragraph "b",  
 28 subparagraph (1), imposed on each head of sheep sold by a  
 29 producer.

30 (2) The board may adopt one or more resolutions to further  
 31 impose an increased rate of state assessment for clean water  
 32 so long as the rate does not exceed the rate of the assessment  
 33 for direct use.

34 c. The increased ~~assessment~~ rate of the assessment for  
 35 direct use or the increased rate of the state assessment for



1 clean water shall be imposed on each head of sheep sold by  
 2 a producer as effectuated by the board pursuant to section  
 3 182.12. The board shall comply with all of the following:

4 (1) The board must wait three or more years from the  
 5 effective date of the previous action imposing an increase in  
 6 the rate of the assessment for direct use in order to adopt  
 7 a resolution. For the first increase, the effective date is  
 8 the date of the special referendum to increase the rate of  
 9 the assessment. For any subsequent increase in the rate of  
 10 assessment, the effective date is the date that the board last  
 11 adopted a resolution imposing an increased rate as provided in  
 12 this paragraph ~~"b"~~ subsection.

13 (2) The board must wait three or more years from the  
 14 effective date of the previous action imposing an increase in  
 15 the rate of the state assessment for clean water in order to  
 16 adopt a resolution. For the first increase, the effective date  
 17 is the date of the special referendum to increase the rate  
 18 of the state assessment for clean water. For any subsequent  
 19 increase, the effective date is the date that the board last  
 20 adopted a resolution imposing an increased rate as provided in  
 21 this subsection.

22 ~~{2}~~ (3) The board shall not adopt a resolution until it  
 23 provides notice to producers of the proposed increase in the  
 24 assessment for direct use or the state assessment for clean  
 25 water and an opportunity for producers to submit written or  
 26 oral comments to the board regarding the proposed increase.  
 27 The board may provide notice by publication in the same manner  
 28 as provided in [section 182.3](#), publication on its internet  
 29 site, mail bearing a United States postal service postmark,  
 30 electronic transmission, or hand-delivery.

31 ~~{3}~~ (4) (a) The An increase in the assessment rate of the  
 32 assessment for direct use imposed by a resolution adopted by  
 33 the board must shall equal five cents. However, the assessment  
 34 rate of the assessment for direct use imposed by a resolution  
 35 of the board shall not equal more than fifty cents.

1     **(b)** An increase in the rate of the state assessment for  
 2 clean water imposed by resolution adopted by the board shall  
 3 equal five cents. However, the rate of the state assessment  
 4 for clean water imposed by resolution of the board shall not  
 5 equal more than fifty cents.

6     6. *a.* If a majority of voters do not authorize increasing  
 7 the rate of the assessment rate for direct use pursuant to a  
 8 special referendum conducted ~~pursuant to~~ under this section,  
 9 the ~~assessment rate for the assessment for direct use~~ shall be  
 10 the same as provided in subsection 1, paragraph "a".

11    *b.* If a majority of voters do not authorize increasing the  
 12 rate of the assessment for direct use pursuant to a special  
 13 referendum conducted under this section, the rate for the state  
 14 assessment for clean water shall be the same as provided in  
 15 subsection 1, paragraph "b".

16    ~~b.~~ 7. Not more than one special referendum to establish an  
 17 assessment for direct use or to establish a state assessment  
 18 for clean water shall be conducted pursuant to this section.

19     Sec. 30. Section 182.14, Code 2022, is amended to read as  
 20 follows:

21     **182.14 ~~Assessment~~ Assessments.**

22     1. An assessment for direct use or a state assessment for  
 23 clean water provided in this chapter shall be imposed on the  
 24 producer as follows:

25     *a.* If the producer sells wool or sheep to the first  
 26 purchaser within this state, the following ~~shall~~ apply:

27       (1) If the sale occurs at a concentration point, the  
 28 assessment shall be imposed at the time of delivery. The first  
 29 purchaser shall deduct the assessment or state assessment from  
 30 the price paid to the producer at the time of sale.

31       (2) If the sale does not occur at a concentration point,  
 32 the producer shall deduct the assessment or state assessment  
 33 from the amount received from the sale and shall forward the  
 34 amount deducted to the board within thirty days following each  
 35 calendar quarter.

1     *b.* If the producer sells, ships, or otherwise disposes of  
2 wool or sheep to any person outside this state, the producer  
3 shall deduct the assessment or state assessment from the amount  
4 received from the sale and shall forward the amount deducted  
5 to the board.

6     2. The assessment for direct use or the state assessment  
7 for clean water imposed by this section shall be remitted to  
8 the board not later than thirty days following each calendar  
9 quarter during which the assessment amount or state assessment  
10 amount was deducted.

11     Sec. 31. Section 182.15, subsection 1, paragraph e, Code  
12 2022, is amended to read as follows:

13     *e.* The rate of withholding and the total amount of the  
14 assessment for direct use and the state assessment for  
15 clean water withheld. The board may require the invoice to  
16 separately indicate the amount withheld for the assessment for  
17 direct use and the state assessment for clean water.

18     Sec. 32. Section 182.16, Code 2022, is amended to read as  
19 follows:

20     182.16 ~~Deposit and disbursement~~ Administration of funds  
21 moneys.

22     1. The board shall deposit ~~amounts~~ moneys collected from the  
23 assessment for direct use imposed pursuant to section 182.14 in  
24 an account established pursuant to section 182.12. Expenses  
25 and disbursements incurred and made pursuant to this chapter  
26 shall be made by voucher, draft, or check bearing the signature  
27 of a person designated by majority vote of the board.

28     2. *a.* The board may deposit moneys collected from the state  
29 assessment for clean water in a qualified financial institution  
30 until transferred to the clean water fund created in section  
31 466B.51.

32     *b.* If the state assessment for clean water is terminated as  
33 provided in section 182.4, the remaining moneys collected from  
34 that state assessment shall be immediately transferred to the  
35 clean water fund.

1     Sec. 33. Section 182.17, Code 2022, is amended to read as  
2 follows:

3     **182.17 Refunds.**

4     1. a. A producer who has paid the assessment for direct use  
5 may, by application in writing to the board, secure a refund of  
6 all or part of the amount paid to the board.

7     b. A producer who has paid the state assessment for clean  
8 water to the board may, by application in writing to the board,  
9 secure a refund of all or part of the amount paid to the board.  
10 The board shall transmit any approved application for a refund  
11 to the division of soil conservation and water quality of the  
12 department of agriculture and land stewardship for payment.

13     2. The refund shall be payable only when the application has  
14 been made to the board within sixty days after the deduction  
15 has been made by the producer or within sixty days after the  
16 remittance has been made by the first purchaser.

17     3. Each application for refund by a producer shall have  
18 an attached proof indicating that the assessment for direct  
19 use was paid. If a state assessment for clean water is  
20 imposed, the attached proof shall also indicate that the state  
21 assessment has also been paid. The attached proof of the  
22 assessment paid may be in the form of a duplicate or certified  
23 copy of the purchase invoice by the purchaser.

24     4. The application shall allow the applicant to elect  
25 whether the refund is for the assessment for direct use or the  
26 state assessment for clean water or both. The board shall not  
27 approve an application unless the application indicates the  
28 election.

29     Sec. 34. Section 182.18, Code 2022, is amended to read as  
30 follows:

31     **182.18 Use of moneys.**

32     1. Moneys from the assessment for direct use collected  
33 under this chapter are subject to audit by the auditor of state  
34 and shall be used by the ~~Iowa sheep and wool promotion~~ board  
35 first for the payment of collection and refund expenses, second

1 for payment of the costs and expenses arising in connection  
 2 with conducting referendums, third for the purposes identified  
 3 in [section 182.11](#), and fourth for the cost of audits for  
 4 the auditor of state. Moneys of the board remaining after  
 5 a special referendum is held at which a majority of the  
 6 voters favor termination of the board and the assessment for  
 7 direct use shall continue to be expended in accordance with  
 8 this chapter until exhausted. The auditor of state may seek  
 9 reimbursement for the cost of the audit.

10 2. Except as expressly provided in this chapter, moneys  
 11 collected by the board from the state assessment for clean  
 12 water shall not be used for any purpose other than to be  
 13 transferred to the clean water fund created in section 466B.51.

14 ~~2.~~ 3. The board shall not engage in any political activity,  
 15 and it shall be a condition of any allocation of funds that  
 16 any organization receiving funds shall not expend the funds on  
 17 political activity or on any attempt to influence legislation.

18 Sec. 35. Section 182.22, Code 2022, is amended to read as  
 19 follows:

20 **182.22 Purchasers outside Iowa.**

21 The secretary may enter into arrangements with first  
 22 purchasers from outside Iowa for payment of the assessment for  
 23 direct use and the state assessment for clean water.

24 DIVISION IV

25 IOWA PORK PRODUCERS COUNCIL AND

26 IOWA PORK PRODUCERS ASSOCIATION

27 Sec. 36. Section 183A.1, subsection 1, Code 2022, is amended  
 28 to read as follows:

29 1. "*Assessment*" means an excise tax on the sale of porcine  
 30 animals ~~as provided in [this chapter](#)~~ which may include an  
 31 assessment for direct use and a state assessment for clean  
 32 water.

33 Sec. 37. Section 183A.1, Code 2022, is amended by adding the  
 34 following new subsections:

35 NEW SUBSECTION. 1A. "*Council*" means the Iowa pork producers

1 council created pursuant to section 183A.2.

2 NEW SUBSECTION. 4A. "*National assessment*" means an excise  
3 tax on the sale of porcine animals imposed pursuant to the Pork  
4 Promotion Act.

5 Sec. 38. Section 183A.1, subsection 7, Code 2022, is amended  
6 to read as follows:

7 7. "*Pork Promotion Act*" means the federal Pork Promotion,  
8 Research, and Consumer Information Act of 1985, 7 U.S.C. §4801  
9 et seq.

10 Sec. 39. Section 183A.5, subsection 1, paragraph i, Code  
11 2022, is amended to read as follows:

12 i. Receive, administer, disburse, and account for, in  
13 addition to the ~~funds~~ moneys received from the assessment for  
14 direct use and the state assessment for clean water provided in  
15 this chapter, other ~~funds~~ moneys voluntarily contributed to the  
16 council for the purpose of promoting the pork industry.

17 Sec. 40. Section 183A.5, Code 2022, is amended by adding the  
18 following new subsection:

19 NEW SUBSECTION. 4. The council shall cooperate with  
20 the division of soil conservation and water quality of the  
21 department of agriculture and land stewardship in doing all of  
22 the following:

23 a. Transferring moneys collected from the state assessment  
24 imposed as a result of a special referendum conducted pursuant  
25 to section 183A.9 to the clean water fund created in section  
26 466B.51.

27 b. Being reimbursed for reasonable expenses incurred in  
28 conducting an initial or special referendum to establish,  
29 continue, or terminate a state assessment for clean water.

30 Sec. 41. Section 183A.6, Code 2022, is amended to read as  
31 follows:

32 **183A.6 ~~Assessment~~ Assessments.**

33 1. The council shall ~~make~~ impose an assessment for direct  
34 use of not less than point zero zero two nor more than point  
35 zero zero three of the gross sale price of all porcine animals.

1 The assessment for direct use shall be point zero zero two five  
 2 of the gross sale price of porcine animals until consent to  
 3 an assessment has been given through the initial referendum  
 4 referred to in this chapter. After approval of the initial  
 5 referendum, the rate of assessment for direct use shall be  
 6 ~~determined~~ established by the council.

7 2. a. If an assessment for direct use is imposed under  
 8 subsection 1, the council shall impose a state assessment for  
 9 clean water if approved at a special referendum conducted  
 10 pursuant to section 183A.9.

11 b. If a national assessment is imposed under section  
 12 183A.9A, the Iowa pork producers association shall impose a  
 13 state assessment for clean water if approved at a special  
 14 referendum conducted pursuant to section 183A.9.

15 3. a. The assessment for direct use and the state  
 16 assessment for clean water shall be made at the time of  
 17 delivery of the porcine animals for sale, and shall be deducted  
 18 by the first purchaser from the price paid to the seller. The  
 19 first purchaser, at the time of sale, shall make and deliver  
 20 to the seller an invoice for each purchase showing the names  
 21 and addresses of the seller and the first purchaser, the number  
 22 and kind of porcine animals sold, the date of sale, and the  
 23 assessment for direct use, and any state assessment for clean  
 24 water made on the sale. The council may require the invoice to  
 25 separately indicate the amount withheld for the assessment for  
 26 direct use and the state assessment for clean water.

27 ~~2. b. Assessments~~ An assessment for direct use and the  
 28 state assessment for clean water shall be paid to the Iowa pork  
 29 producers council or its designated agent by first purchasers  
 30 at a time prescribed by the council, but not later than the  
 31 last day of the month following the month in which the animals  
 32 were purchased.

33 4. If a national assessment is imposed pursuant to section  
 34 183A.9A, and a state assessment for clean water is imposed  
 35 under section 183A.9, the Iowa pork producers association shall

1 impose and collect the state assessment for clean water in  
 2 the same manner as the assessment for direct use set forth in  
 3 subsection 3. However, the Iowa pork producers association may  
 4 impose and collect the state assessment based on procedures for  
 5 the national assessment as set forth in the Pork Promotion Act.  
 6 The invoice may correspond to any invoice required by the Pork  
 7 Promotion Act.

8     Sec. 42. Section 183A.7, Code 2022, is amended to read as  
 9 follows:

10     **183A.7 Administration of moneys — appropriation.**

11     1. a. ~~Assessments~~ An assessment for direct use imposed  
 12 ~~under this chapter~~ pursuant to section 183A.6 and paid to and  
 13 collected by the Iowa pork producers council shall be deposited  
 14 in the pork promotion fund which is established in the office  
 15 of the treasurer of state. The department of administrative  
 16 services shall transfer moneys from the pork promotion fund  
 17 to the council for deposit into an account established by the  
 18 council in a qualified financial institution. The department  
 19 shall transfer the moneys as provided in a resolution adopted  
 20 by the council. However, the department is only required to  
 21 transfer moneys once during each day and only during hours when  
 22 the offices of the state are open.

23     2- b. All moneys deposited in the pork promotion fund and  
 24 transferred to the council as provided in this section are  
 25 appropriated and shall be used for the administration of this  
 26 chapter and for the payment of claims based upon obligations  
 27 incurred in the performance of activities and functions set  
 28 forth in this chapter.

29     3- c. From the moneys collected, deposited, and transferred  
 30 to the council as provided in this chapter, the council shall  
 31 first pay the costs of referendums held pursuant to this  
 32 chapter. Of the moneys remaining, at least twenty-five percent  
 33 shall be remitted to the national pork producers council and  
 34 at least fifteen percent shall be remitted to the Iowa pork  
 35 producers association, in the proportion the ~~committee~~ Iowa



1 pork producers council determines, for use by recipients in  
 2 a manner not inconsistent with market development as defined  
 3 in section 183A.1. Moneys remaining shall be spent as found  
 4 necessary by the Iowa pork producers council to further carry  
 5 out the provisions and purposes of this chapter.

6 ~~4. d. However, in~~ In no event shall the total expenses  
 7 exceed the total amount of moneys transferred from the pork  
 8 promotion fund for use by the council.

9 2. a. Moneys collected from a state assessment for clean  
 10 water by the council may be deposited in a qualified financial  
 11 institution and shall be transferred to the clean water fund  
 12 created in section 466B.51.

13 b. If a national assessment is imposed pursuant to section  
 14 183A.9A, moneys from the state assessment for clean water  
 15 collected by the Iowa pork producers association shall be  
 16 transferred to the clean water fund created in section 466B.51.

17 c. The Iowa pork producers association shall maintain  
 18 separate accounts for moneys collected from the national  
 19 assessment and the state assessment for clean water.

20 d. The Iowa pork producers association shall adopt rules  
 21 as a state agency pursuant to chapter 17A as necessary to  
 22 administer this subsection and other sections in this chapter  
 23 which directly or indirectly relate to this subsection.

24 Sec. 43. Section 183A.8, Code 2022, is amended to read as  
 25 follows:

26 **183A.8 Refund of ~~assessment~~ assessments.**

27 1. A producer from whom the an assessment for direct use or  
 28 a state assessment for clean water has been deducted, upon is  
 29 entitled to receive a refund upon filing a written application  
 30 filed with the council within thirty days after its collection,  
 31 shall have that amount refunded by the council.

32 2. a. Application If an assessment for direct use or state  
 33 assessment for clean water are imposed, application forms shall  
 34 be given by the council to each first purchaser when requested  
 35 and the first purchaser shall make the applications available

1 to any producer.

2 b. Each application for a refund by a producer shall have  
 3 attached a proof of assessment for direct use deducted. If  
 4 the assessment for direct use and state assessment for clean  
 5 water are imposed, the attached proof shall indicate the amount  
 6 of the assessment and the amount of the state assessment  
 7 deducted. The proof of the assessment for direct use and any  
 8 state assessment for clean water deducted shall be in the form  
 9 of the original or a copy of the purchase invoice by the first  
 10 purchaser. The application shall allow the applicant to elect  
 11 whether the refund is for the assessment for direct use or the  
 12 state assessment for clean water or both. The council shall  
 13 not approve an application unless the application indicates the  
 14 election.

15 3. The council shall have ~~no~~ not more than thirty days from  
 16 the date the application for a refund is received to ~~remit~~ do  
 17 all of the following:

18 a. Remit the amount of the refund of an assessment for  
 19 direct use to the producer.

20 b. Submit an approved application for the refund of a state  
 21 assessment for clean water to the division of soil conservation  
 22 and water quality of the department of agriculture and land  
 23 stewardship which shall remit the amount of the refund to the  
 24 producer.

25 4. If a national assessment is established pursuant to  
 26 section 183A.9A and a state assessment for clean water is  
 27 established pursuant to section 183A.9, the producer shall file  
 28 a written application with the Iowa pork producers association  
 29 in lieu of the council in the same manner as provided in  
 30 subsection 1 and the Iowa pork producers association shall  
 31 make applications available to first purchasers as provided in  
 32 subsection 2. However, the Iowa pork producers association  
 33 may provide for filing applications for a refund based on any  
 34 applicable procedures set forth in the Pork Promotion Act. In  
 35 any case, the Iowa pork producers association must transfer

1 approved applications for refunds to the division of soil  
2 conservation and water quality of the department of agriculture  
3 and land stewardship for payment to producers in the same  
4 manner as described in subsection 3.

5 Sec. 44. Section 183A.9, Code 2022, is amended to read as  
6 follows:

7 **183A.9 Referendum Initial and special referendums —**  
8 **assessments.**

9 1. At a time designated by the council within eighteen  
10 months after the termination of the collection of ~~assessments~~  
11 the national assessment imposed under the Pork Promotion Act,  
12 the secretary shall conduct an initial referendum ~~under to~~  
13 establish an Iowa pork producers council and an assessment  
14 for direct use. The referendum shall be conducted according  
15 to administrative procedures prescribed rules adopted by the  
16 department of agriculture and land stewardship.

17 2. If an assessment for direct use is established and upon  
18 receipt of a request of ten percent or more of the number  
19 of producers eligible to vote, the secretary shall conduct a  
20 special referendum to determine whether producers favor the  
21 establishment of a state assessment for clean water. The  
22 special referendum shall be conducted in the same manner  
23 as an initial referendum conducted pursuant to subsection  
24 1. The rate of the state assessment for clean water shall  
25 be established by the council not to exceed the rate of the  
26 assessment for direct use established pursuant to an initial  
27 referendum described in section 183A.6.

28 3. Upon receipt of a petition that otherwise complies with  
29 the requirements of subsection 2, the secretary may in lieu of  
30 conducting a special referendum include as part of the initial  
31 referendum a separate special question whether to establish a  
32 state assessment for clean water, if the secretary determines  
33 it to be cost-effective or the petition demands it.

34 ~~2.~~ 4. Upon signing a statement certifying to the secretary  
35 that the person is a bona fide producer as defined in this

1 chapter, each producer is entitled to one vote in each initial  
 2 or special referendum. The secretary shall determine the  
 3 qualification of producers under this section.

4 ~~3.~~ 5. The secretary shall count and tabulate the ballots  
 5 filed during the initial or special referendum within thirty  
 6 days of the close of the referendum. If from the tabulation  
 7 the secretary determines that a majority of the total number  
 8 of producers voting in the initial referendum favors the  
 9 establishment of the assessment for direct use, the assessment  
 10 provided for in the referendum shall be ~~levied~~ imposed. If  
 11 from the tabulation the secretary determines that a majority of  
 12 the total number of producers voting in the initial or special  
 13 referendum favors the establishment of the state assessment  
 14 for clean water, the state assessment shall be imposed. The  
 15 ballots cast pursuant to this section constitute complete and  
 16 conclusive evidence for use in determinations made by the  
 17 secretary under this chapter.

18 ~~4.~~ 6. a. The secretary shall ~~hold subsequent referendums~~  
 19 conduct a special referendum on request of receipt of a  
 20 petition signed by ten percent or more of the number of  
 21 producers eligible to vote, to determine whether the producers  
 22 favor the termination or any of the following:

23 (1) The suspension of the assessment for direct use.

24 (2) The termination of the assessment for direct use and the  
 25 state assessment for clean water, if established.

26 b. The secretary shall suspend or terminate ~~collection~~  
 27 ~~of the assessment~~ for direct use within six months after the  
 28 secretary determines that suspension or termination of the  
 29 assessment for direct use is favored by a majority of the  
 30 producers voting in the special referendum, ~~and~~. The secretary  
 31 shall suspend or terminate the assessment for direct use in an  
 32 orderly manner as soon as practicable after the determination.

33 7. a. The secretary shall conduct a special referendum on  
 34 receipt of a petition of producers otherwise complying with the  
 35 requirements in subsection 6 to conduct a special referendum to

1 terminate the state assessment for clean water.

2 b. Upon receipt of a petition that otherwise complies  
3 with the requirements of subsection 6, the secretary shall  
4 include as part of the special referendum conducted under that  
5 subsection a separate special question whether to terminate  
6 the state assessment for clean water, if the secretary  
7 determines the inclusion of the separate special question is  
8 cost-effective or the petition demands inclusion.

9 8. The secretary shall terminate the state assessment for  
10 clean water in the same manner as provided in subsection 6,  
11 upon determining that the council is abolished, the assessment  
12 for direct use is not being collected, and the national  
13 assessment is not being collected.

14 Sec. 45. Section 183A.9A, Code 2022, is amended to read as  
15 follows:

16 **183A.9A Suspension during national order.**

17 ~~1. The terms of all voting members serving on the council on~~  
18 ~~January 31, 1986 terminate at the time provided in subsection~~  
19 ~~2.~~

20 ~~2.~~ 1. On the date of the commencement of the collection  
21 of ~~assessments~~ a national assessment under the Pork Promotion  
22 Act, the collection of the ~~assessments~~ assessment for direct  
23 use under section 183A.6 shall be suspended. The council shall  
24 continue to operate after suspension until all refunds are paid  
25 and all ~~funds~~ moneys remaining in the pork promotion fund, less  
26 a reserve for future refunds, are disbursed for the purposes  
27 enumerated in this chapter. Notwithstanding section 183A.7,  
28 the council need not retain a reserve for future referendums.  
29 Upon completion of these acts, the existence of the Iowa pork  
30 producers council is suspended. The secretary ~~of agriculture~~  
31 shall certify the suspension of the council as of a date  
32 certain to the ~~Iowa pork producers~~ council and the Iowa pork  
33 producers association. When the existence of the council is  
34 suspended, the terms of office of council members terminate.

35 2. a. The state recognizes the Iowa pork producers

1 association as a state association under the Pork Promotion  
2 Act. For purposes of this chapter, "association" shall include  
3 a successor state association or other state association that  
4 administers the national assessment in Iowa.

5 b. If a state assessment for clean water is established  
6 or continued pursuant to sections 183A.9 and 183A.9A, the  
7 Iowa pork producers association shall administer the state  
8 assessment for the period that the Pork Promotion Act is in  
9 effect, unless the state assessment is terminated under section  
10 183A.9. On the date of the commencement of the collection of  
11 the national assessment under the Pork Promotion Act, the Iowa  
12 pork producers association shall assume collection of the state  
13 assessment for clean water under section 183A.9.

14 3. a. If the rate of the national assessment has changed,  
15 and upon receipt of a petition that otherwise complies  
16 with requirements for submitting a petition to suspend or  
17 terminate an assessment for direct use under section 183A.9,  
18 the secretary shall conduct a special referendum to determine  
19 whether to change the rate of the state assessment for  
20 clean water to a rate established by the Iowa pork producers  
21 association not to exceed the rate of the national assessment.

22 b. Upon receipt of a petition that otherwise complies with  
23 requirements for submitting a petition to suspend or terminate  
24 an assessment for direct use under section 183A.9, the  
25 secretary shall include as part of a referendum to change the  
26 rate of the national assessment, a separate special question  
27 whether to change the rate of the state assessment for clean  
28 water not to exceed the change in the national assessment, if  
29 the secretary determines the inclusion of the special question  
30 complies with federal law and either it is cost-effective or  
31 the petition demands inclusion.

32 c. If the national assessment is changed, and the secretary  
33 determines that a change in the state assessment for clean  
34 water is favored by a majority of the producers voting in a  
35 special referendum or separate special question as part of

1 a referendum to change the rate of the national assessment,  
 2 the rate of the state assessment shall be changed on a date  
 3 determined by the secretary after consultation with the Iowa  
 4 pork producers association but not later than six months  
 5 after the date that the special referendum or referendum was  
 6 conducted.

7 ~~3.~~ 4. On the date of the termination of the collection of  
 8 ~~assessments~~ the national assessment under the Pork Promotion  
 9 Act, the period of suspension of the ~~assessments~~ assessment  
 10 for direct use under subsection 2 3 terminates. The secretary  
 11 shall collect moneys from the ~~assessments~~ assessment for direct  
 12 use under section 183A.6 and the state assessment for clean  
 13 water under section 183A.9 until this duty can be resumed by  
 14 the reactivated council. The secretary shall deposit moneys  
 15 collected from the assessment for direct use in the pork  
 16 promotion fund. The secretary shall transfer moneys collected  
 17 from the state assessment for clean water to the clean water  
 18 fund created in section 466B.51. The secretary shall cooperate  
 19 with the Iowa pork producers association in performing these  
 20 duties.

21 ~~4.~~ 5. On the date of the termination of the collection of  
 22 ~~assessments~~ the national assessment under the Pork Promotion  
 23 Act, the period of suspension of the council under subsection 2  
 24 1 terminates. Within sixty days from this date, the secretary  
 25 shall appoint voting members to the council. For purposes of  
 26 section 183A.3, a voting member so appointed is deemed not to  
 27 have served a previous consecutive term. The terms of office  
 28 of voting members of the initial reactivated council shall be  
 29 determined by lot, but members from the same district shall  
 30 not serve the same terms. As nearly as possible one-third of  
 31 the voting members shall serve for one year, one-third of the  
 32 voting members shall serve for two years, and one-third of the  
 33 voting members shall serve for three years. Subsequent voting  
 34 members shall be appointed pursuant to section 183A.2.

35 ~~5.~~ 6. The secretary shall call the first meeting of the

1 reactivated council. Upon reactivation, the council shall  
2 reimburse the secretary for expenses incurred in carrying out  
3 the duties provided in this section.

4 7. The Iowa pork producers association shall cooperate with  
5 the division of soil conservation and water quality of the  
6 department of agriculture and land stewardship in doing all of  
7 the following:

8 a. Transferring moneys from the state assessment for clean  
9 water to the clean water fund created in section 466B.51.

10 b. Being reimbursed for reasonable expenses incurred in  
11 conducting an initial or special referendum to establish,  
12 continue, or terminate a state assessment for clean water.

13 DIVISION V

14 IOWA EGG COUNCIL

15 Sec. 46. Section 184.1, subsection 1, Code 2022, is amended  
16 to read as follows:

17 1. "Assessment" means an excise tax on the sale of eggs as  
18 ~~provided in this chapter~~ which may include an assessment for  
19 direct use and a state assessment for clean water.

20 Sec. 47. Section 184.1, subsection 2, Code 2022, is amended  
21 to read as follows:

22 2. "Council" means the Iowa egg council established pursuant  
23 to section 184.2.

24 Sec. 48. Section 184.2, Code 2022, is amended to read as  
25 follows:

26 **184.2 Establishment of Iowa egg council and ~~assessment~~**  
27 **assessments.**

28 1. The secretary shall call and the department shall conduct  
29 a an initial referendum upon the department's receipt of a  
30 petition for assessment for direct use which is signed by at  
31 least twenty producers requesting a an initial referendum to  
32 determine whether to establish an Iowa egg council and to  
33 ~~impose~~ establish an assessment for direct use to be imposed as  
34 provided in section 184.3.

35 2. a. If the council has been established, the secretary



1 shall call and the department shall conduct a special  
 2 referendum upon the department's receipt of a petition that  
 3 otherwise complies with subsection 1 calling for a state  
 4 assessment for clean water to be imposed as provided in section  
 5 184.3.

6 b. Upon receipt of a petition that otherwise complies with  
 7 subsection 1, the secretary may in lieu of conducting a special  
 8 referendum include as part of the initial referendum a separate  
 9 special question whether to establish a state assessment for  
 10 clean water to be imposed as provided in section 184.3, if the  
 11 secretary determines the inclusion of the special question is  
 12 cost-effective or the petition demands inclusion.

13 3. The initial referendum or a special referendum described  
 14 in this section shall be conducted within sixty days following  
 15 receipt of the petition. The petitioners shall guarantee  
 16 payment of the cost of the initial referendum or special  
 17 referendum by providing evidence of financial security as  
 18 required by the department.

19 ~~2.~~ 4. The department shall give notice of the initial  
 20 ~~referendum on the question whether to establish a council and~~  
 21 ~~to impose an assessment or special referendum described in this~~  
 22 section by publishing the notice for a period of not less than  
 23 five days in at least one newspaper of general circulation in  
 24 the state. The notice shall state the voting places, period  
 25 of time for voting, and other information deemed necessary by  
 26 the department. A An initial referendum or special referendum  
 27 shall not be commenced until five days after the last date of  
 28 publication.

29 ~~3.-a.~~ 5. Each producer who signs a statement certifying  
 30 that the producer is a bona fide producer shall be an eligible  
 31 voter under this section. An eligible voter is entitled to  
 32 cast one vote in each initial referendum or special referendum  
 33 conducted under this section.

34 ~~b.~~ 6. At the close of the initial referendum or special  
 35 referendum, the secretary shall count and tabulate the ballots

1 cast.

2 ~~{1}~~ 7. a. If a majority of eligible voters approve  
 3 establishing ~~an Iowa egg~~ the council and imposing an assessment  
 4 for direct use, a the council and the assessment shall be  
 5 established, and ~~an the~~ the assessment shall be imposed, commencing  
 6 not more than sixty days following the initial referendum as  
 7 determined by the council and shall continue until eligible  
 8 voters voting in a special referendum ~~held~~ conducted pursuant  
 9 to section 184.5 vote to abolish the council and terminate ~~the~~  
 10 ~~imposition of~~ the assessment for direct use.

11 b. If a majority of eligible voters approve establishing  
 12 a state assessment for clean water, pursuant to a special  
 13 referendum, the state assessment shall be imposed commencing  
 14 not more than sixty days following the special referendum as  
 15 determined by the council. If a majority of eligible voters  
 16 approve establishing a state assessment for clean water, as  
 17 part of an initial referendum the state assessment shall be  
 18 imposed in the same manner described in paragraph "a". The  
 19 state assessment for clean water shall continue until eligible  
 20 voters voting in a special referendum conducted pursuant to  
 21 section 184.5 vote to do any of the following:

22 (1) Abolish the council and terminate the assessment for  
 23 direct use.

24 (2) Terminate the state assessment for clean water.

25 ~~{2}~~ 8. a. If a majority of the voters do not approve  
 26 establishing the council and ~~imposing~~ the assessment for direct  
 27 use, the council and the assessment shall not be established,  
 28 and ~~an the~~ the assessment shall not be imposed, until another  
 29 initial referendum is ~~held~~ conducted under this chapter and a  
 30 majority of the eligible voters approve establishing a council  
 31 and ~~imposing the an~~ an assessment for direct use. If a an initial  
 32 referendum should fail, another initial referendum to decide  
 33 whether to establish a council and an assessment shall not be  
 34 held conducted within at least one hundred eighty days from the  
 35 date that the last initial referendum was conducted.

1     b. If a majority of the voters do not approve establishing  
 2     a state assessment for clean water, the state assessment  
 3     shall not be established until the question is approved at  
 4     a special referendum or as part of an initial referendum  
 5     conducted pursuant to this section. If a special referendum,  
 6     or an initial referendum which includes the question whether  
 7     to establish a state assessment for clean water, should fail,  
 8     the special referendum or an initial referendum which includes  
 9     the special question shall not be conducted for at least one  
 10    hundred eighty days from the date that the last such special  
 11    referendum or initial referendum was conducted.

12    ~~4.~~ 9. Immediately after passage of the question to  
 13    establish a council and assessment for direct use at the an  
 14    initial referendum, the secretary shall appoint seven members  
 15    to the council in accordance with [section 184.6](#) based on  
 16    nominations made by the Iowa poultry association. The Iowa  
 17    poultry association shall nominate and the secretary shall  
 18    appoint two members representing large producers, two members  
 19    representing medium producers, and three members representing  
 20    small producers. The department, in consultation with the Iowa  
 21    poultry association, shall determine initial classifications  
 22    for small, medium, and large producers. The secretary shall  
 23    complete the appointments within thirty days following passage  
 24    of the question at the initial referendum.

25    Sec. 49. Section 184.3, Code 2022, is amended to read as  
 26    follows:

27    **184.3 ~~Assessment~~ Assessments and state assessments.**

28    1. ~~a.~~ Except as provided in ~~paragraph "b"~~ subsection 4,  
 29    an assessment for direct use of two and one-half cents is  
 30    imposed on each thirty dozen eggs produced in this state. The  
 31    assessment for direct use shall be imposed on a producer at the  
 32    time of delivery to a purchaser who shall deduct the assessment  
 33    for direct use from the price paid to a producer at the time of  
 34    sale.

35    2. A state assessment for clean water is imposed and

1 deducted in the same manner as the assessment for direct use  
 2 provided in subsection 1. The rate of the state assessment for  
 3 clean water shall be established by the council at a rate not  
 4 to exceed the rate of assessment for direct use as provided in  
 5 subsection 1.

6 3. The assessment for direct use and the state assessment  
 7 for clean water shall not be refundable. The assessment is for  
 8 direct use and state assessment for clean water are due to be  
 9 paid to the council within thirty days following each calendar  
 10 quarter, as provided by the council.

11 ~~b.~~ 4. a. Upon request of the council, the secretary shall  
 12 call a special referendum for producers to vote on whether to  
 13 authorize an increase in the rate of assessment for direct use  
 14 to an amount that is more than two and one-half cents imposed  
 15 on each thirty dozen eggs produced in this state.

16 b. Upon request of the council, the secretary shall call  
 17 a special referendum for producers to vote on whether to  
 18 authorize an increase in the state assessment for clean water  
 19 as established by the council not to exceed the rate of the  
 20 assessment for direct use described in paragraph "a".

21 c. The secretary shall include as part of a special  
 22 referendum to increase the rate of the assessment for direct  
 23 use as described in paragraph "a", a separate special question  
 24 whether to increase the rate of the state assessment for clean  
 25 water as described in paragraph "b", if the secretary determines  
 26 the inclusion of the special question is cost-effective or the  
 27 request demands inclusion.

28 5. a. Notice of a special referendum described in  
 29 subsection 4 shall be given and the special referendum shall be  
 30 conducted in the manner provided in [section 184.5](#).

31 b. (1) If a majority of the producers voting approves the  
 32 an increase in the rate of the assessment for direct use, the  
 33 council may increase the assessment for to the amount rate  
 34 approved. However, the The rate of the assessment for direct  
 35 use shall not exceed fifteen cents imposed on each thirty dozen

1 eggs produced in this state.

2 (2) If a majority of the producers voting approves an  
 3 increase in the state assessment for clean water, the council  
 4 shall increase the rate of the state assessment to a rate not  
 5 to exceed the rate approved for the assessment for direct use  
 6 as described in subparagraph (1).

7 ~~2.~~ 6. a. If the producer sells eggs to a purchaser outside  
 8 the state of Iowa, the producer shall deduct the assessment for  
 9 direct use from the amount received from the sale and shall  
 10 forward the amount deducted to the council within thirty days  
 11 following each calendar quarter.

12 b. If the producer sells eggs to a purchaser outside the  
 13 state of Iowa, the producer shall deduct the state assessment  
 14 for clean water in the same manner as described in paragraph  
 15 "a".

16 7. If the producer and processor are the same person, then  
 17 that person shall pay the assessment for direct use or the  
 18 state assessment for clean water to the council within thirty  
 19 days following each calendar quarter.

20 ~~3.~~ 8. The council may charge interest on any amount of ~~the~~  
 21 an assessment for direct use or a state assessment for clean  
 22 water that is delinquent. The rate of interest shall not be  
 23 more than the current rate published in the Iowa administrative  
 24 bulletin by the department of revenue pursuant to section  
 25 421.7. The interest amount shall be computed from the date  
 26 the assessment for direct use or a state assessment for clean  
 27 water is delinquent, unless the council designates a later  
 28 date. The interest amount shall accrue for each month in which  
 29 there is delinquency calculated as provided in [section 421.7](#),  
 30 and counting each fraction of a month as an entire month. The  
 31 interest amount due shall become a part of the assessment for  
 32 direct use or a state assessment for clean water due.

33 Sec. 50. Section 184.4, subsection 1, paragraph e, Code  
 34 2022, is amended to read as follows:

35 e. The rate of withholding and the total amount of

1 assessment for direct use and the state assessment for clean  
2 water withheld. The council may require the invoice to  
3 separately indicate the amount withheld for the assessment for  
4 direct use and for the state assessment for clean water.

5 Sec. 51. Section 184.5, Code 2022, is amended to read as  
6 follows:

7 **184.5 ~~Referendums~~ Special referendum conducted to abolish**  
8 **~~the council and terminate imposition of the assessment or state~~**  
9 **assessment.**

10 1. a. A special referendum may be called to abolish the  
11 council and terminate the imposition of the assessment for  
12 direct use established pursuant to section 184.3 and any  
13 state assessment for clean water established pursuant to that  
14 section.

15 b. A special referendum may be called to terminate the state  
16 assessment for clean water established pursuant to section  
17 184.3.

18 c. The secretary shall include as part of a special  
19 referendum to abolish the council and terminate the assessment  
20 for direct use described in paragraph "a", a separate special  
21 question whether to terminate the state assessment for clean  
22 water as described in paragraph "b", if the secretary determines  
23 the inclusion of the special question is cost-effective or the  
24 request demands inclusion.

25 2. The secretary shall call, and the department shall  
26 conduct, the a special referendum described in subsection  
27 1 upon the department's receipt of a petition requesting  
28 the special referendum. The petition must be signed by at  
29 least twenty eligible voters or fifty percent of all eligible  
30 voters, whichever is greater. In order to be an eligible voter  
31 under this section, a producer must have paid an assessment  
32 for direct use established under section 184.3, and a state  
33 assessment for clean water if established under that section,  
34 in the year of the special referendum. The special referendum  
35 shall be conducted within sixty days following receipt of the

1 petition. The petitioners shall guarantee payment of the cost  
2 of the special referendum by providing evidence of financial  
3 security as required by the department.

4 ~~2.~~ 3. The following procedures ~~shall~~ apply to a special  
5 referendum conducted pursuant to this section:

6 a. The department shall publish a notice of the special  
7 referendum for a period of not less than five days in at least  
8 one newspaper of general circulation in the state. The notice  
9 shall state the voting places, period of time for voting,  
10 and other information deemed necessary by the department. A  
11 special referendum shall not be commenced until five days after  
12 the last date of publication.

13 b. Upon signing a statement certifying to the secretary that  
14 the producer is an eligible voter, a producer is entitled to  
15 one vote in each special referendum conducted pursuant to this  
16 section. The department may conduct the special referendum  
17 by mail, electronic means, or a general meeting of eligible  
18 voters. The department shall conduct the special referendum  
19 and count and tabulate the ballots filed during the special  
20 referendum within thirty days following the close of the  
21 special referendum.

22 ~~{1}~~ c. If a majority of the total number of eligible  
23 voters who vote in the special referendum ~~approve~~ approves  
24 the continuation of the council and the ~~imposition of the~~  
25 assessment for direct use, the council and the imposition of  
26 the assessment shall continue as provided in this chapter.

27 d. If a majority of eligible voters who vote in the special  
28 referendum approves the continuation of the state assessment  
29 for clean water, the imposition of the state assessment shall  
30 continue for the same period as the assessment for direct use.

31 ~~{2}~~ e. If a majority of the total number of eligible  
32 voters who vote in the special referendum ~~held pursuant to~~  
33 ~~this section~~ do does not approve continuing the council and  
34 the ~~imposition of the~~ assessment for direct use, the secretary  
35 shall terminate ~~the collection of~~ the assessment for direct use

1 established pursuant to section 184.3 and the state assessment  
 2 for clean water if established pursuant to that section, on  
 3 the first day of the year for which the referendum was to  
 4 continue. The secretary shall terminate the activities of the  
 5 council in an orderly manner as soon as practicable after the  
 6 determination is made. An additional initial referendum may be  
 7 ~~held as provided in~~ conducted under section 184.2. However,  
 8 ~~the subsequent additional~~ referendum shall not be held within  
 9 conducted for at least one hundred eighty days after the date  
 10 that the last such special referendum was conducted.

11 f. If a majority of the total number of eligible voters  
 12 who vote in the special referendum does not approve continuing  
 13 the state assessment for clean water, the secretary shall  
 14 terminate the state assessment in an orderly manner as soon as  
 15 practicable after the determination is made. An additional  
 16 special referendum or an additional initial referendum that  
 17 includes a separate special question to establish the state  
 18 assessment for clean water may be conducted under section  
 19 184.2. However, the subsequent special referendum or  
 20 initial referendum shall not be conducted for at least one  
 21 hundred eighty days after the date that the last such special  
 22 referendum or initial referendum was conducted.

23 Sec. 52. Section 184.10, subsection 4, Code 2022, is amended  
 24 to read as follows:

25 4. Enter into arrangements for the collection of the  
 26 assessment for direct use and any state assessment for clean  
 27 water.

28 Sec. 53. Section 184.10, Code 2022, is amended by adding the  
 29 following new subsection:

30 NEW SUBSECTION. 8. Cooperate with the division of soil  
 31 conservation and water quality of the department of agriculture  
 32 and land stewardship in doing all of the following:

33 a. Transferring moneys from the state assessment for clean  
 34 water to the clean water fund created in section 466B.51.

35 b. Being reimbursed for reasonable expenses incurred in



1 conducting an initial or special referendum to establish,  
2 continue, or terminate a state assessment for clean water.

3 Sec. 54. Section 184.13, Code 2022, is amended to read as  
4 follows:

5 **184.13 Administration of moneys.**

6 1. Subject to the provisions of [section 184.3](#), the  
7 assessment imposed by ~~this chapter~~ for direct use established  
8 pursuant to section 184.3, and the state assessment for  
9 clean water if established pursuant to that section, shall  
10 be remitted by the purchaser to the council not later than  
11 thirty days following each calendar quarter during which the  
12 assessment was collected.

13 2. ~~Amounts~~ Moneys collected from the assessment for direct  
14 use shall be deposited in the office of the treasurer of  
15 state in a separate fund to be known as the Iowa egg fund.  
16 The department of administrative services shall transfer  
17 moneys from the fund to the council for deposit into an  
18 account established by the council in a qualified financial  
19 institution. The department shall transfer the moneys as  
20 provided in a resolution adopted by the council. However, the  
21 department is only required to transfer moneys once during each  
22 day and only during hours when the offices of the state are  
23 open.

24 3. Moneys collected from a state assessment for clean  
25 water by the council may be deposited in a qualified financial  
26 institution and shall be transferred to the clean water fund  
27 created in section 466B.51.

28 Sec. 55. Section 184.14, Code 2022, is amended to read as  
29 follows:

30 **184.14 Use of moneys — appropriation — audit.**

31 1. All moneys deposited in the Iowa egg fund and transferred  
32 to the council as provided in [section 184.13](#) are appropriated  
33 and shall be used for the administration of [this chapter](#) and  
34 for the payment of claims based upon obligations incurred in  
35 the performance of activities and functions set forth in this

1 chapter.

2     2. a. Moneys collected, deposited in the fund, and  
 3 transferred to the council as provided in [this chapter](#) are  
 4 subject to audit by the auditor of state. The auditor of state  
 5 may seek reimbursement for the cost of the audit. The moneys  
 6 transferred to the council shall be used by the council first  
 7 for the payment of collection expenses, second for payment of  
 8 the costs and expenses arising in connection with conducting  
 9 referendums, third to perform the functions and carry out the  
 10 duties of the council as provided in [this chapter](#), and fourth  
 11 for the cost of audits by the auditor of state.

12     b. ~~Moneys~~ The moneys remaining after the council is  
 13 abolished and the imposition of ~~an~~ the assessment for direct  
 14 use imposed pursuant to section 184.3 is terminated pursuant to  
 15 a special referendum conducted pursuant to [section 184.5](#) shall  
 16 continue to be expended in accordance with [this chapter](#) until  
 17 exhausted.

18     3. If the council is abolished and the assessment for direct  
 19 use is terminated pursuant to a special referendum conducted  
 20 under section 184.5, remaining moneys collected from the state  
 21 assessment for clean water shall be transferred to the clean  
 22 water fund created in section 466B.51. If the state assessment  
 23 for clean water is terminated pursuant to a special referendum  
 24 conducted under that section, remaining moneys collected from  
 25 the state assessment shall be transferred to the clean water  
 26 fund created in section 466B.51.

27     4. Except as expressly provided in this chapter, moneys  
 28 collected from a state assessment for clean water shall not be  
 29 used for any purpose other than to be transferred to the clean  
 30 water fund created in section 466B.51.

31     Sec. 56. Section 184.18, Code 2022, is amended to read as  
 32 follows:

33     **184.18 Purchasers outside Iowa.**

34     The secretary may enter into arrangements with purchasers  
 35 from outside Iowa for payment of the assessment for direct use

1 and the state assessment for clean water.

2 DIVISION VI

3 IOWA TURKEY MARKETING COUNCIL

4 Sec. 57. Section 184A.1, Code 2022, is amended by adding the  
5 following new subsections:

6 NEW SUBSECTION. 1A. "*Assessment*" means an excise tax  
7 imposed on the sale of turkeys which may include an assessment  
8 for direct use and a state assessment for clean water.

9 NEW SUBSECTION. 2A. "*Department*" means the department of  
10 agriculture and land stewardship.

11 Sec. 58. Section 184A.1A, Code 2022, is amended to read as  
12 follows:

13 ~~184A.1A Referendum conducted to establish an Iowa turkey~~  
14 ~~marketing council and impose an assessment~~ Referendums and  
15 assessments — council established.

16 1. a. The department shall call and conduct a an initial  
17 referendum upon the department's receipt of a petition which  
18 is signed by at least twenty eligible voters requesting a  
19 an initial referendum to determine whether to establish an  
20 Iowa turkey marketing council as provided in section 184A.1B  
21 and ~~impose~~ establish an assessment for direct use imposed as  
22 provided in section 184A.2.

23 b. If a council is established, and upon receipt of a  
24 petition that otherwise complies with the requirements of  
25 subsection 1, the department shall call and conduct a special  
26 referendum to establish a state assessment for clean water as  
27 provided in section 184A.2.

28 c. Upon receipt of a petition that otherwise complies with  
29 the requirements of subsection 1, the secretary shall include  
30 as part of the initial referendum a separate special question  
31 whether to establish a state assessment for clean water  
32 described in paragraph "b", if the secretary determines the  
33 inclusion of the separate special question is cost-effective or  
34 the petition demands inclusion.

35 2. a. In order to be an eligible voter under this section,

1 a petitioner must be a qualified producer. The initial or  
 2 special referendum shall be conducted by election within sixty  
 3 days following receipt of the petition. The petitioners shall  
 4 guarantee payment of the cost of the referendum by providing  
 5 evidence of financial security as required by the department.

6 ~~2.~~ b. The department shall ~~give~~ provide notice of the  
 7 an initial referendum ~~on the question whether to establish~~  
 8 ~~a council and to impose an assessment or special referendum~~  
 9 by publishing the notice for a period of not less than five  
 10 days in at least one newspaper of general circulation in  
 11 the state, and for a similar period in other newspapers as  
 12 prescribed by the department. The notice shall state the  
 13 voting places, period of time for voting, the manner of voting,  
 14 the amount of the assessment for direct use or the amount of  
 15 the state assessment for clean water, and other information  
 16 deemed necessary by the department. A referendum or special  
 17 referendum shall not be commenced until five days after the  
 18 last date of publication.

19 ~~3.~~ ~~a.~~ c. Each eligible voter who signs a statement  
 20 certifying that the eligible voter is a qualified producer  
 21 shall be an eligible voter under this section. An eligible  
 22 voter is entitled to cast one vote in each initial referendum  
 23 or special referendum conducted under this section. The  
 24 department may conduct the initial referendum or special  
 25 referendum by mail, electronic means, or a general meeting of  
 26 eligible voters.

27 ~~b.~~ d. At the close of the initial referendum or special  
 28 referendum, the department shall count and tabulate the ballots  
 29 cast.

30 ~~{1}~~ 3. a. If a majority of eligible voters who vote in  
 31 ~~the~~ an initial referendum approve establishing the council and  
 32 ~~imposing~~ an assessment for direct use under section 184A.2, a  
 33 council and the assessment shall be established, and ~~an~~ the  
 34 assessment shall be imposed commencing not more than sixty days  
 35 following the initial referendum as determined by the council.

1 The council and assessment for direct use shall continue for  
 2 five years as provided in [section 184A.12](#).

3 b. If a majority of eligible voters who vote in a special  
 4 referendum approve establishing a state assessment for clean  
 5 water, the state assessment shall be imposed commencing not  
 6 more than sixty days following the special referendum as  
 7 determined by the council.

8 ~~{2}~~ c. If a majority of eligible voters who vote in the an  
 9 initial referendum do not approve establishing the council and  
 10 ~~imposing the an~~ assessment for direct use, the council shall  
 11 not be established and an assessment shall not be established  
 12 and imposed until another initial referendum is held conducted  
 13 under this section and a majority of the eligible voters voting  
 14 approve establishing a council and imposing the an assessment  
 15 for direct use. If a an initial referendum should fail,  
 16 another initial referendum shall not be held within conducted  
 17 for at least one hundred eighty days from the date of the last  
 18 such initial referendum.

19 d. If a majority of the voters do not approve establishing  
 20 a state assessment for clean water, the state assessment shall  
 21 not be established and imposed until the question is approved  
 22 at a special referendum or as part of an initial referendum  
 23 conducted pursuant to this section. If a special referendum  
 24 or an initial referendum which includes the question whether  
 25 to establish a state assessment should fail, the special  
 26 referendum or an initial referendum which includes the question  
 27 shall not be conducted for at least one hundred eighty days  
 28 from the date of the last such special referendum or initial  
 29 referendum which included the separate special question.

30 4. Within thirty days after approval at the initial  
 31 referendum to establish a council and to impose an assessment  
 32 for direct use, the department shall organize the council as  
 33 provided in section 184A.1B.

34 Sec. 59. Section 184A.1C, subsection 4, Code 2022, is  
 35 amended to read as follows:

1     4. Enter into arrangements for the collection, and deposit,  
2 and use of the assessment for direct use or the collection,  
3 deposit, and transfer of the state assessment for clean water  
4 as provided in this chapter.

5     Sec. 60. Section 184A.1C, Code 2022, is amended by adding  
6 the following new subsection:

7     NEW SUBSECTION. 7. Cooperate with the division of soil  
8 conservation and water quality of the department of agriculture  
9 and land stewardship in doing all of the following:

10     a. Transferring moneys collected from the state assessment  
11 for clean water to the clean water fund created in section  
12 466B.51.

13     b. Being reimbursed for reasonable expenses incurred in  
14 conducting an initial or special referendum to establish,  
15 continue, or terminate a state assessment for clean water.

16     Sec. 61. Section 184A.2, Code 2022, is amended to read as  
17 follows:

18     **184A.2 ~~Assessment~~ Assessments — direct use — clean water.**

19     1. If an assessment for direct use or a state assessment for  
20 clean water is approved by a majority of the eligible voters  
21 voting at a an initial referendum or special referendum as  
22 provided in section 184A.1A or 184A.12, all of the following  
23 ~~shall~~ apply:

24     a. The assessment for direct use or the state assessment  
25 for clean water shall be imposed on each turkey delivered for  
26 processing.

27     b. (1) The council shall establish a rate of the  
28 assessment for direct use and the state assessment for  
29 clean water for each turkey delivered for processing. The  
30 council may establish different rates based on attributes or  
31 characteristics of turkeys. However, a rate shall not be more  
32 than three cents for each turkey delivered for processing.

33     (2) The rate of the state assessment for clean water shall  
34 be established by the council at a rate not to exceed the  
35 assessment for direct use as described in subparagraph (1) in

1 effect when the referendum establishing the state assessment  
2 passes.

3 c. The assessment for direct use or the state assessment  
4 for clean water shall be imposed on the producer and collected  
5 at the time of delivery of a turkey to the processor. The  
6 assessment for direct use and the state assessment for clean  
7 water shall be deducted by the processor at the time of  
8 delivery from the price paid to the producer at the time of the  
9 sale to the processor.

10 d. A processor shall remit ~~assessments~~ moneys collected from  
11 the assessment for direct use or the state assessment for clean  
12 water to the council on a monthly basis as provided by the  
13 council. The council shall deposit the remitted ~~assessments~~  
14 moneys collected from the assessment for direct use in the Iowa  
15 turkey fund as provided in [section 184A.4](#). The council shall  
16 transmit moneys collected from the state assessment for clean  
17 water to the clean water fund created in section 466B.51.

18 2. The council may enter into agreements with processors  
19 from outside this state for the payment of the assessment for  
20 direct use and the state assessment for clean water.

21 3. a. The council shall provide for a refund of an  
22 assessment for direct use, and of a state assessment for  
23 clean water if established, according to rules adopted by the  
24 council.

25 b. The council shall publish and disseminate applications  
26 for refunds. An application shall allow the applicant to elect  
27 whether the refund is for the assessment for direct use or a  
28 state assessment for clean water or both. The council shall  
29 not approve an application unless the application indicates the  
30 election.

31 c. The council shall transmit any approved application for a  
32 refund of the state assessment for clean water to the division  
33 of soil conservation and water quality of the department of  
34 agriculture and land stewardship which shall pay a refund to  
35 the producer in the same manner as the council pays a refund to

1 the producer under paragraph "a".

2 Sec. 62. Section 184A.3, Code 2022, is amended to read as  
3 follows:

4 **184A.3 ~~Assessment documentation~~ Assessments — documentation.**

5 A processor receiving turkeys for slaughter shall do all of  
6 the following:

7 1. At the time of payment to the producer, the processor  
8 shall sign and submit a receipt to the producer which includes  
9 the rate of the assessment for direct use imposed and the  
10 rate of the state assessment for clean water imposed and the  
11 amount of the assessment and state assessment for all turkeys  
12 delivered for processing.

13 2. Within a period established by rules adopted by the  
14 council, the processor shall regularly sign and submit to the  
15 council an invoice or other records required by the council to  
16 expedite collection of the assessment for direct use and the  
17 state assessment for clean water. The council may require that  
18 the processor submit a separate invoice for each purchase. The  
19 invoice shall be legibly printed and shall not be altered. An  
20 invoice shall include all of the following:

21 a. The name and address of the producer and the seller, if  
22 the seller's name is different from the producer.

23 b. The name and address of the processor.

24 c. The number of turkeys sold.

25 d. The date of the delivery.

26 3. The council shall require the invoice to separately  
27 indicate the amount withheld for the assessment for direct use  
28 and the state assessment for clean water.

29 Sec. 63. Section 184A.4, Code 2022, is amended to read as  
30 follows:

31 **184A.4 Administration of moneys.**

32 1. a. ~~The assessments~~ Moneys from the assessment for direct  
33 use collected by the council as provided in [section 184A.2](#)  
34 shall be deposited in the office of the treasurer of state in  
35 a special fund known as the Iowa turkey fund. The department



1 of administrative services shall transfer moneys from the  
 2 fund to the council for deposit into the turkey council  
 3 account established by the council pursuant to [this section](#).  
 4 The department shall transfer the moneys as provided in a  
 5 resolution adopted by the council. However, the department is  
 6 only required to transfer moneys once during each day and only  
 7 during hours when the offices of the state are open.

8 ~~2.~~ b. The council shall establish a turkey council  
 9 account in a qualified financial institution. The council  
 10 shall provide for the deposit of all of the following into the  
 11 account:

12 ~~a.~~ (1) The assessment for direct use collected, deposited  
 13 in the Iowa turkey fund, and transferred to the council as  
 14 provided in [this section](#).

15 ~~b.~~ (2) Moneys, other than ~~assessments~~ moneys collected from  
 16 the state assessment for clean water, but including moneys in  
 17 the form of gifts, rents, royalties, or license fees received  
 18 by the council pursuant to [section 184A.1C](#).

19 2. Except as expressly provided in this chapter, moneys  
 20 collected from the state assessment for clean water under this  
 21 section shall not be used for any purpose other than to be  
 22 transferred to the clean water fund created in section 466B.51.

23 Sec. 64. Section 184A.6, Code 2022, is amended to read as  
 24 follows:

25 **184A.6 Use of moneys in turkey council account.**

26 1. All moneys deposited in the turkey council account  
 27 pursuant to [section 184A.4](#) shall be used by the council for  
 28 purposes of administering [this chapter](#).

29 2. The council shall expend moneys ~~from~~ deposited in the  
 30 turkey council account first for the payment of expenses for  
 31 the collection of ~~assessments~~ moneys from the assessment for  
 32 direct use and the state assessment for clean water, second  
 33 for the payment of expenses related to conducting a special  
 34 referendum as provided in conducted under [section 184A.12](#),  
 35 and third for the cost of performing audits by the auditor of

1 state as required in [section 184A.9](#). The council shall expend  
2 remaining moneys for market development, producer education,  
3 and the payment of refunds to producers as provided in this  
4 chapter.

5 Sec. 65. Section 184A.10, Code 2022, is amended to read as  
6 follows:

7 **184A.10 ~~Referendum~~ Referendums.**

8 Upon receipt of a petition signed by at least twenty-five  
9 producers requesting an initial referendum election to  
10 determine whether to impose the fee assessment for direct use  
11 as provided in [section 184A.2](#), and to establish a council as  
12 provided in chapter 184A, the secretary shall call and conduct  
13 an initial referendum.

14 Sec. 66. Section 184A.12, Code 2022, is amended to read as  
15 follows:

16 **184A.12 ~~Referendum~~ Special referendum conducted to continue**  
17 **~~the council and the imposition of the assessment~~ establishment**  
18 **of assessments.**

19 1. a. The council shall call for and conduct a special  
20 referendum to continue the council established pursuant to  
21 section 184A.1A, and to continue the assessment for direct use  
22 established pursuant to [section 184A.2](#). ~~The council shall call~~  
23 ~~and conduct the referendum by election as provided in this~~  
24 ~~section.~~

25 b. The council shall call for and conduct a special  
26 referendum to continue the state assessment for clean water  
27 if established pursuant to section 184A.1A. The council may  
28 include as part of the special referendum to continue the  
29 council and the assessment for direct use under paragraph "a",  
30 a separate special question whether to continue the state  
31 assessment for clean water.

32 2. The department shall oversee the conduct of the special  
33 referendum. The special referendum shall be conducted in  
34 the fifth year following the initial referendum establishing  
35 the council and the assessment for direct use as provided in

1 section 184A.10.

2     2- 3. The following procedures ~~shall~~ apply to a special  
3 referendum conducted pursuant to this section:

4     a. The council shall publish a notice of the special  
5 referendum for a period of not less than five days in at least  
6 one newspaper of general circulation in the state and for  
7 a similar period in other newspapers as prescribed by the  
8 council. The notice shall state the voting places, period of  
9 time for voting, manner of voting, and other information deemed  
10 necessary by the council. A referendum shall not be commenced  
11 until five days after the last date of publication.

12     b. Upon signing a statement certifying to the council that  
13 a producer is an eligible voter, the producer is entitled to  
14 one vote in each special referendum conducted pursuant to  
15 this section. In order to be an eligible voter under this  
16 section, a producer must be a qualified producer who paid ~~an~~  
17 the assessment for direct use and the state assessment for  
18 clean water, if established, in the year in which the special  
19 referendum is held conducted. The council may conduct the  
20 special referendum by mail, electronic means, or a general  
21 meeting of eligible voters. The council shall conduct the  
22 special referendum and count and tabulate the ballots filed  
23 during the special referendum within thirty days following the  
24 close of the special referendum.

25     ~~{1}~~ c. If a majority of eligible voters who vote in the  
26 special referendum approves ~~the continuation of~~ continuing the  
27 council and the ~~imposition of the~~ assessment for direct use,  
28 the council and the imposition of the assessment shall continue  
29 as provided in this chapter.

30     d. If a majority of eligible voters who vote in the special  
31 referendum approves continuing the state assessment for clean  
32 water, the imposition of the state assessment shall continue  
33 for the same period as the assessment for direct use.

34     ~~{2}~~ e. If a majority of eligible voters who vote in the  
35 special referendum does not approve continuing the council and

1 ~~the imposition of the~~ assessment for direct use, the department  
 2 shall terminate the ~~collection of the~~ assessment for direct  
 3 use and the state assessment for clean water if established.  
 4 The termination shall occur on the first day of the year for  
 5 which the special referendum was to continue. The department  
 6 shall terminate the activities of the council in an orderly  
 7 manner as soon as practicable after the date that the special  
 8 referendum was conducted. A subsequent initial referendum may  
 9 be ~~held~~ conducted as provided in section 184A.1A. However,  
 10 the subsequent initial referendum shall not be ~~held within~~  
 11 conducted for at least one hundred eighty days from the date of  
 12 that the last special referendum was conducted.

13 f. If a majority of eligible voters who vote in the special  
 14 referendum does not approve continuing the state assessment  
 15 for clean water, the department shall terminate the state  
 16 assessment in the same manner as described in paragraph "e". A  
 17 subsequent special referendum to establish a state assessment  
 18 for clean water may be conducted as provided in section  
 19 184A.1A. However, the subsequent special referendum shall not  
 20 be conducted for at least one hundred eighty days from the date  
 21 that the last special referendum was conducted.

22 Sec. 67. Section 184A.12A, Code 2022, is amended to read as  
 23 follows:

24 **184A.12A Referendum** Special referendum conducted to abolish  
 25 ~~the council and terminate the imposition of the assessment~~  
 26 assessments.

27 1. a. A The department may call and conduct a special  
 28 referendum may be called to abolish the council established  
 29 pursuant to ~~sections~~ section 184A.1A, and ~~184A.1B~~, and to  
 30 terminate the ~~imposition of the~~ assessment for direct use  
 31 established pursuant to section 184A.2, and to terminate the  
 32 state assessment for clean water if established pursuant to  
 33 section 184A.2.

34 b. The department shall call and conduct, as provided in  
 35 subsection 3, a special referendum to terminate the state

1 assessment for clean water if established pursuant to section  
2 184A.2.

3     2. The department shall call and conduct the special  
4 referendum upon the department's receipt of a petition  
5 requesting the special referendum. The petition must be  
6 signed by at least twenty eligible voters or fifty percent  
7 of all eligible voters, whichever is greater. In order to  
8 be an eligible voter under this section, a producer must be  
9 a qualified producer who paid an the assessment for direct  
10 use and any state assessment for clean water in the year in  
11 which the special referendum is ~~held~~ conducted. The special  
12 referendum shall be conducted by election within sixty days  
13 following receipt of the petition. The petitioners shall  
14 guarantee payment of the cost of the special referendum by  
15 providing evidence of financial security as required by the  
16 department.

17     ~~2.~~ 3. The following procedures ~~shall~~ apply to a special  
18 referendum conducted pursuant to this section:

19     a. The department shall publish a notice of the special  
20 referendum for a period of not less than five days in at least  
21 one newspaper of general circulation in the state and for  
22 a similar period in other newspapers as prescribed by the  
23 department. The notice shall state the voting places, period  
24 of time for voting, manner of voting, and other information  
25 deemed necessary by the department. A special referendum  
26 shall not be commenced until five days after the last date of  
27 publication.

28     b. Upon signing a statement certifying to the department  
29 that a producer is an eligible voter, the producer is entitled  
30 to one vote in each special referendum conducted pursuant  
31 to this section. The department may conduct the special  
32 referendum by mail, electronic means, or a general meeting of  
33 eligible voters. The department shall conduct the special  
34 referendum and count and tabulate the ballots filed during the  
35 special referendum within thirty days following the close of

1 the special referendum.

2 ~~{1}~~ c. If a majority of eligible voters who vote in the  
3 special referendum ~~approves~~ fails to approve the ~~continuation~~  
4 ~~of the council and the imposition of the assessment~~  
5 termination, the council and the ~~imposition of the~~ direct  
6 assessment shall continue as provided in this chapter.

7 d. If a majority of eligible voters who vote in the special  
8 referendum fails to approve the termination of the council and  
9 direct assessment and also fails to approve the termination of  
10 state assessment for clean water, the state assessment shall  
11 continue for the same period as the assessment for direct use.

12 ~~{2}~~ e. If a majority of eligible voters who vote in the  
13 special referendum ~~does not approve continuing~~ approves the  
14 termination of the council and ~~the imposition of~~ the assessment  
15 for direct use, the department shall terminate the collection  
16 of the assessment for direct use and any state assessment for  
17 clean water on the first day of the year for which the special  
18 referendum was to continue. The department shall terminate  
19 the activities of the council in an orderly manner as soon  
20 as practicable after the special referendum. A subsequent  
21 initial referendum may be ~~held~~ conducted as provided in section  
22 184A.1A. However, the subsequent initial referendum shall  
23 not be ~~held within~~ conducted for at least one hundred eighty  
24 days from the date ~~of~~ that the last special referendum was  
25 conducted.

## 26 DIVISION VII

### 27 IOWA SOYBEAN ASSOCIATION

28 Sec. 68. Section 185.1, subsection 17, Code 2022, is amended  
29 to read as follows:

30 17. "*State assessment*" or "*assessment*" means an excise tax  
31 on each bushel of soybeans marketed in this state which is  
32 imposed pursuant to a any of the following:

33 a. A state assessment for direct use pursuant to a  
34 promotional order as provided in this chapter.

35 b. A state assessment for clean water as provided in this

1 chapter.

2     Sec. 69. Section 185.1A, Code 2022, is amended to read as  
3 follows:

4     **185.1A Recognition of Iowa soybean association.**

5     1. The corporation known as the Iowa soybean association  
6 incorporated under the laws of this state shall be entitled  
7 to the benefits of **this chapter** by filing each year with the  
8 secretary a verified proof of its organization, the names  
9 of its officers, and any other information required by the  
10 secretary.

11     2. The Iowa soybean association is a qualified state soybean  
12 board for purposes of administering a national assessment.  
13 For purposes of this chapter, "association" shall include a  
14 successor qualified state soybean board or other entity that is  
15 recognized by federal law to administer the national assessment  
16 in Iowa.

17     Sec. 70. Section 185.2, Code 2022, is amended to read as  
18 follows:

19     **185.2 ~~Petition for election~~ Referendums.**

20     1. Upon receipt of a petition signed by at least five  
21 hundred producers requesting an initial referendum ~~election~~  
22 to determine whether a promotional order shall be placed in  
23 effect, the secretary shall call ~~an~~ the initial referendum  
24 ~~election~~ to be conducted within sixty days following receipt  
25 of the petition. Producers shall vote by written ballot in  
26 the manner provided by **this chapter** for an initial referendum  
27 ~~elections~~.

28     2. If a promotional order is placed in effect, and  
29 upon receipt of a petition that otherwise complies with the  
30 requirements of this section, the secretary shall conduct a  
31 special referendum to establish a state assessment for clean  
32 water. The special referendum shall be conducted in the same  
33 manner as an initial referendum described in subsection 1.

34     3. Upon receipt of a petition that otherwise complies with  
35 the requirements of this section, the secretary shall include

1 as part of the initial referendum a separate special question  
2 whether to establish and impose a state assessment for clean  
3 water described in this section, if the secretary determines  
4 the inclusion of the special question is cost-effective or the  
5 petition demands inclusion.

6 Sec. 71. Section 185.11, Code 2022, is amended by adding the  
7 following new subsection:

8 NEW SUBSECTION. 5. Cooperate with the division of soil  
9 conservation and water quality of the department of agriculture  
10 and land stewardship in doing all of the following:

11 a. Transferring moneys collected from the state assessment  
12 for clean water to the clean water fund created in section  
13 466B.51.

14 b. Being reimbursed for reasonable expenses incurred in  
15 conducting an initial or special referendum to establish,  
16 continue, or terminate a state assessment for clean water.

17 Sec. 72. Section 185.13, subsection 4, Code 2022, is amended  
18 to read as follows:

19 4. Enter into arrangements for collection of the state  
20 assessment for direct use and any state assessment for clean  
21 water imposed on soybeans marketed in this state.

22 Sec. 73. Section 185.16, Code 2022, is amended to read as  
23 follows:

24 **185.16 Notice of referendum.**

25 1. Notice of a referendum ~~election~~ to initiate or extend a  
26 promotional order shall be given by publication in a newspaper  
27 of general circulation in this state at least ten days prior  
28 to the date of the referendum and in any other reasonable  
29 manner as may be determined by the secretary for the initial  
30 referendum and by the board for extension of the promotional  
31 order.

32 2. Notice of a special referendum to establish or continue  
33 a state assessment for clean water shall be given in the same  
34 manner as described in subsection 1.

35 Sec. 74. Section 185.17, Code 2022, is amended to read as



1 follows:

2     **185.17 Contents of notice.**

3     ~~The~~ A notice of referendum described in section 185.16 shall  
4 set forth the period of time for voting, voting places and such  
5 other information as the secretary may deem necessary in an  
6 initial referendum or special referendum. The board shall make  
7 such determinations in any subsequent initial referendum or  
8 special referendum.

9     Sec. 75. Section 185.18, Code 2022, is amended to read as  
10 follows:

11     **185.18 Counting.**

12     At the close of a referendum voting period, the secretary  
13 shall count and tabulate the ballots cast during the ~~referendum~~  
14 period of the initial referendum or special referendum.

15     Sec. 76. Section 185.20, Code 2022, is amended to read as  
16 follows:

17     **185.20 Producers only to vote.**

18     Only producers are eligible to vote in an election for  
19 ~~directors or a~~, an initial referendum election, or a special  
20 referendum, and only in the district in which they reside.  
21 A producer shall sign an affidavit at the time of voting  
22 certifying the producer's eligibility to vote. Each qualified  
23 producer shall be entitled to one vote.

24     Sec. 77. Section 185.21, Code 2022, is amended to read as  
25 follows:

26     **185.21 ~~Assessment~~ State assessments — rates.**

27     1. A state assessment ~~which~~ for direct use that is adopted  
28 established upon the initiation of a promotional order shall  
29 ~~be collected~~ imposed during the effective period of the  
30 promotional order, and shall be of no force or effect upon  
31 termination of the promotional order.

32     2. a. The state assessment for direct use collected as part  
33 of a promotional order shall be paid into the soybean promotion  
34 fund established in section 185.26.

35     b. The state assessment for clean water if established

1 pursuant to section 185.2 or continued pursuant to section  
2 185.25 shall be collected by the board and may be deposited  
3 in a qualified financial institution until transferred to the  
4 clean water fund created in section 466B.51.

5 3. The rate of the state assessment for direct use  
6 established as part of a promotional order shall be imposed as  
7 follows:

8 a. If the national assessment is being collected, the rate  
9 of the state assessment for direct use shall be one-quarter of  
10 one percent of the net market price of the soybeans marketed  
11 in this state.

12 b. If the national assessment is not being collected, the  
13 rate of the state assessment for direct use shall be one-half  
14 of one percent of the net market price of soybeans marketed in  
15 this state.

16 4. The rate of the state assessment for clean water shall  
17 be imposed as follows:

18 a. If the national assessment is being collected, the rate  
19 of the state assessment for clean water shall be established  
20 by the board at a rate not to exceed the combined rate of the  
21 state assessment for direct use and the national assessment as  
22 described in subsection 3, paragraph "a".

23 b. If the national assessment is not being collected,  
24 the rate of the state assessment for clean water shall be  
25 established by the board at a rate not to exceed the rate of  
26 the state assessment for direct use as described in subsection  
27 3, paragraph "b".

28 Sec. 78. Section 185.22, Code 2022, is amended to read as  
29 follows:

30 **185.22 ~~Promotional order~~ Invoice.**

31 1. After a promotional order has been issued, the first  
32 purchaser at the time of payment for soybeans shall show the  
33 total amount of the state assessment for direct use, and any  
34 state assessment for clean water, deducted from the sale on the  
35 purchase invoice.

1     2. The board shall require the invoice to separately  
2 indicate the amount withheld for the state assessment for  
3 direct use and the state assessment for clean water. The board  
4 may require a separate invoice for the state assessment for  
5 clean water. An invoice may correspond to any invoice required  
6 to collect the national assessment.

7     Sec. 79. Section 185.23, Code 2022, is amended to read as  
8 follows:

9     **185.23 Deduction of assessment.**

10     The state assessment for direct use and any state assessment  
11 for clean water shall be deducted from the purchase price of  
12 soybeans at the time of sale, and forwarded to the board by the  
13 first purchaser in the manner and at intervals determined by  
14 the board.

15     Sec. 80. Section 185.24, Code 2022, is amended to read as  
16 follows:

17     **185.24 Termination of a promotional order.**

18     1. If a promotional order is not extended as determined  
19 by a special referendum, the secretary and the board shall  
20 terminate the promotional order in an orderly manner as soon  
21 as practicable. The termination of the promotional order  
22 shall terminate the state assessment for direct use. After  
23 all moneys collected from the state assessment for direct use  
24 are expended, the board shall remain in existence as provided  
25 in its articles of incorporation or bylaws. The directors  
26 shall no longer be elected as required in **this chapter**. The  
27 ex officio directors shall no longer serve on the board. The  
28 board shall cease to administer **this chapter**, and the board  
29 shall no longer carry out its duties or exercise its powers  
30 as provided in **this chapter**. However, if a future initial  
31 referendum passes, the board shall be reorganized by the  
32 secretary and the directors then serving on the board shall be  
33 deemed to be the same directors who served on the board when  
34 the promotional order was terminated. The directors shall  
35 serve out their terms as though there had been no lapse of time

1 between the two effective orders.

2     2. The termination of the promotional order shall terminate  
3 the state assessment for clean water. The board shall transfer  
4 any remaining moneys collected from the state assessment for  
5 clean water to the clean water fund created in section 466B.51.

6     Sec. 81. Section 185.25, Code 2022, is amended to read as  
7 follows:

8     **185.25 Special referendum referendums — producer petition**  
9 **petitions.**

10     1. a. Upon receipt of a petition, the secretary shall call  
11 a special referendum to extend the promotional order including  
12 continuing the state assessment for direct use as part of the  
13 promotional order.

14     b. Upon receipt of a petition, the secretary shall call a  
15 special referendum to continue the state assessment for clean  
16 water.

17     c. The secretary shall include as part of the special  
18 referendum described in paragraph "a" a separate special  
19 question described in paragraph "b" whether to continue the  
20 state assessment for clean water, if the secretary determines  
21 the inclusion of the special question is cost-effective or the  
22 petition demands inclusion.

23     2. The secretary shall call the special referendum not  
24 less than one hundred fifty nor more than two hundred forty  
25 days from a four-year anniversary of the effective date of an  
26 initial promotional order, if the petition is signed within  
27 that same period by a number of producers equal to or greater  
28 than one percent of the number of producers reported in the  
29 most recent United States census of agriculture, requesting  
30 a referendum to determine whether to extend the promotional  
31 order, the. The secretary shall call a conduct the special  
32 referendum to be conducted not earlier than thirty days before  
33 the four-year anniversary date.

34     3. a. If the secretary determines that extension of the  
35 promotional order is not favored approved by a majority of the

1 producers voting in the special referendum, the promotional  
 2 order shall be terminated as provided in section 185.24. The  
 3 state assessment for clean water if established shall also  
 4 be terminated. If the promotional order is terminated under  
 5 this paragraph, another a succeeding referendum to recommence  
 6 the promotional order shall not be held within conducted for  
 7 at least one hundred eighty days after the date that the most  
 8 recent special referendum was conducted.

9 b. If the secretary determines that the state assessment  
 10 for clean water is not approved by a majority of the producers  
 11 voting in the special referendum, that state assessment shall  
 12 be terminated as provided in section 185.24. If the state  
 13 assessment for clean water is terminated under this paragraph,  
 14 another special referendum establishing the state assessment  
 15 for clean water or another succeeding referendum to recommence  
 16 the promotional order that includes a separate special question  
 17 to establish the state assessment for clean water shall not  
 18 be conducted for at least one hundred eighty days after the  
 19 date that the last special referendum terminating the state  
 20 assessment for direct use was conducted.

21 4. a. A succeeding referendum to recommence the promotional  
 22 order shall be called by the secretary upon the petition of a  
 23 number of producers equal to or greater than one percent of the  
 24 number of producers reported in the most recent United States  
 25 census of agriculture requesting a the referendum, who shall  
 26 guarantee the costs of the referendum.

27 b. Upon receipt of a petition meeting the requirements of  
 28 paragraph "a", the secretary shall call a special referendum to  
 29 restore the state assessment for clean water.

30 c. The secretary shall include as part of the succeeding  
 31 referendum described in paragraph "a" a special question  
 32 described in paragraph "b" whether to restore the state  
 33 assessment for clean water, if the secretary determines the  
 34 inclusion of the special question is cost-effective or the  
 35 petition demands the inclusion.

1     2. 5. a. If no valid petition to extend the promotional  
 2 order is received by the secretary within the time period  
 3 described in subsection 1 2, or if a petition is received but  
 4 the special referendum to extend the promotional order passes  
 5 is approved, the promotional order shall continue in effect for  
 6 four additional years from the anniversary of its effective  
 7 date.

8     b. If no valid petition for a special referendum to  
 9 continue the state assessment for clean water is received by  
 10 the secretary within the time period described in subsection 2,  
 11 or if the continuation of state assessment for clean water is  
 12 approved, that state assessment shall continue in effect for  
 13 four additional years from the anniversary of the effective  
 14 date of the promotional order.

15     Sec. 82. NEW SECTION. 185.25A **Special referendum — change**  
 16 **in state assessment rate for clean water.**

17     1. If a national assessment is imposed and upon receipt  
 18 of a petition that otherwise complies with the requirements  
 19 of section 185.25, the secretary shall conduct a special  
 20 referendum to change the rate of the state assessment for  
 21 clean water established by the board at a rate not to exceed  
 22 the combined rate of the national assessment and the state  
 23 assessment for direct use as provided in section 185.21,  
 24 subsection 3, paragraph "a". The special referendum shall be  
 25 conducted in the same manner as a special referendum conducted  
 26 pursuant to section 185.25. However, the special referendum  
 27 may be conducted in the same manner and in conjunction with a  
 28 referendum to change the rate of the national assessment, to  
 29 the extent permitted by federal law.

30     2. If a national assessment is not imposed and upon receipt  
 31 of a petition that otherwise complies with the requirements  
 32 of section 185.25, the secretary shall conduct a special  
 33 referendum to change the rate of the state assessment for clean  
 34 water established by the board to a rate not to exceed the rate  
 35 of the state assessment for direct use as provided in section

1 185.21, subsection 3, paragraph "b". The special referendum  
 2 shall be conducted in the same manner as a special referendum  
 3 conducted pursuant to section 185.25.

4 3. If a special referendum or special question to change the  
 5 rate of the state assessment for clean water is not approved,  
 6 the result of the vote shall not affect the existence or period  
 7 during which that state assessment is in effect.

8 Sec. 83. Section 185.26, Code 2022, is amended to read as  
 9 follows:

10 **185.26 Administration of moneys.**

11 1. a. The Moneys from a state assessment for direct use  
 12 imposed as part of a promotional order and collected by the  
 13 board shall be deposited in a special fund known as the soybean  
 14 promotion fund, in the office of the treasurer of state. The  
 15 fund may also contain include any gifts or federal or state  
 16 grant received by the board. Moneys The moneys collected,  
 17 deposited into the fund, and transferred to the board, as  
 18 provided in this chapter, shall be subject to audit by the  
 19 auditor of state.

20 b. The department of administrative services shall  
 21 transfer moneys from the fund to the board for deposit into an  
 22 account known as the soybean checkoff account which shall be  
 23 established by the board in a qualified financial institution.  
 24 The department shall transfer the moneys into the account as  
 25 provided in a resolution adopted by the board. However, the  
 26 department is only required to transfer moneys once during each  
 27 day and only during hours when the offices of the state are  
 28 open.

29 c. From moneys collected, deposited, and transferred to  
 30 the soybean checkoff account as provided in this section, the  
 31 board shall first pay the costs of referendums, elections, and  
 32 other expenses incurred in the administration of this chapter,  
 33 before moneys may be expended to carry out the purposes of the  
 34 board as provided in section 185.11. The board shall strictly  
 35 segregate moneys in the soybean checkoff account from all other

1 moneys of the board. Moneys in the soybean checkoff account  
 2 shall be expended by the board exclusively for carrying out  
 3 the purposes of the board as provided in [section 185.11](#). The  
 4 account shall be subject to audit by the auditor of state.

5 2. Moneys from a state assessment for clean water collected  
 6 by the board may be deposited in a qualified financial  
 7 institution and shall be transferred to the clean water fund  
 8 created in section 466B.51.

9 ~~2.~~ 3. The fiscal year of the association shall commence on  
 10 October 1 and end on September 30.

11 Sec. 84. Section 185.27, Code 2022, is amended to read as  
 12 follows:

13 **185.27 Refund of assessment.**

14 1. a. A producer who has sold soybeans and had the state  
 15 assessment for direct use deducted from the sale price may, by  
 16 application in writing to the board, secure a refund in the  
 17 amount deducted. The refund shall be payable only when the  
 18 application is made to the board within sixty days after the  
 19 deduction.

20 b. A producer who has sold soybeans and had the state  
 21 assessment for clean water deducted from the sale price may,  
 22 by application in writing to the board, secure a refund of the  
 23 amount deducted payable by the division of soil conservation  
 24 and water quality of the department of agriculture and land  
 25 stewardship. The board shall forward approved applications to  
 26 the division within sixty days after the deduction.

27 2. Application forms shall be given by the board to  
 28 each first purchaser when requested and the first purchaser  
 29 shall make the applications available to any producer. Each  
 30 application for refund by a producer shall have attached  
 31 thereto proof of assessment deducted. The proof of assessment  
 32 may be in the form of a duplicate or certified copy of the  
 33 purchase invoice by the first purchaser. ~~The board shall~~  
 34 ~~have thirty days from the date the application for refund is~~  
 35 ~~received to remit the refund to the producer.~~ The form shall



1 allow the applicant to elect whether the refund is for the  
2 state assessment for direct use or for the state assessment  
3 for clean water or both. The board shall not approve an  
4 application unless the application indicates the election.

5 Sec. 85. Section 185.28, Code 2022, is amended to read as  
6 follows:

7 **185.28 Use of moneys — appropriation.**

8 1. All moneys collected, deposited, and transferred to the  
9 board as provided in this chapter, are appropriated and shall  
10 be used for the administration of this chapter by the board and  
11 for the payment of claims by the board based upon obligations  
12 incurred in the performance of board activities and functions  
13 provided in this chapter.

14 2. Except as expressly provided in this chapter, moneys  
15 collected from the state assessment for clean water under this  
16 section shall not be used for any purpose other than to be  
17 transferred to the clean water fund created in section 466B.51.

18 Sec. 86. Section 185.29, Code 2022, is amended to read as  
19 follows:

20 **185.29 Remission of remaining moneys.**

21 1. After the board has paid the costs of elections,  
22 referendum, necessary board expenses, and administrative costs,  
23 the remaining moneys collected, deposited in the soybean  
24 promotion fund, and transferred to the soybean checkoff account  
25 as provided in section 185.26 shall be expended by the board as  
26 is necessary to carry out its purposes as provided in section  
27 185.11.

28 2. Notwithstanding subsection 1, moneys collected from  
29 a state assessment for clean water by the board shall be  
30 transferred to the clean water fund created in section 466B.51.

31 Sec. 87. Section 185.33, Code 2022, is amended to read as  
32 follows:

33 **185.33 Report.**

34 The board shall each year prepare and submit a report  
35 summarizing the activities of the board under this chapter to

1 the auditor of state and the secretary ~~of agriculture~~. The  
2 report shall show all income, expenses, and other relevant  
3 information concerning fees state assessments for direct use  
4 collected and expended under the provisions of this chapter.

5 DIVISION VIII

6 IOWA CORN PROMOTION BOARD

7 Sec. 88. Section 185C.1, subsection 17, Code 2022, is  
8 amended to read as follows:

9 17. "*State assessment*" means a state excise tax on each  
10 bushel of corn marketed in this state which is imposed ~~as part~~  
11 ~~of a promotional order to administer~~ this chapter pursuant to a  
12 state assessment for direct use or a state assessment for clean  
13 water.

14 Sec. 89. Section 185C.2, Code 2022, is amended to read as  
15 follows:

16 **185C.2 ~~Petition for election~~ Referendums.**

17 1. Upon receipt of a petition signed by at least five  
18 hundred producers requesting an initial referendum ~~election~~  
19 to determine whether a promotional order shall be placed in  
20 effect, the secretary shall call an initial referendum ~~election~~  
21 to be conducted within sixty days following receipt of the  
22 petition. Producers shall vote by written ballot in the manner  
23 provided by this chapter for a referendum elections to approve  
24 the placement in effect of a promotional order.

25 2. a. If a promotional order is placed in effect, a state  
26 assessment for direct use shall be established.

27 b. If a promotional order is placed in effect, and upon  
28 receipt of a petition that otherwise complies with the  
29 requirements of subsection 1, the secretary shall conduct a  
30 special referendum to establish a state assessment for clean  
31 water.

32 c. Upon receipt of a petition that otherwise complies with  
33 the requirements of subsection 1, the secretary shall include  
34 as part of the initial referendum a separate special question  
35 whether to establish a state assessment for clean water, as

1 described in paragraph "b", if the secretary determines the  
2 inclusion of the special question is cost-effective or the  
3 petition demands inclusion.

4 Sec. 90. Section 185C.3, Code 2022, is amended to read as  
5 follows:

6 **185C.3 Establishment of corn promotion board.**

7 If a majority of the producers voting in ~~the~~ an initial  
8 referendum election conducted pursuant to section 185C.2  
9 approve the passage of the promotional order, an Iowa corn  
10 promotion board shall be established.

11 Sec. 91. Section 185C.11, subsection 1, Code 2022, is  
12 amended by adding the following new paragraph:

13 NEW PARAGRAPH. *j.* Cooperate with the division of soil  
14 conservation and water quality of the department of agriculture  
15 and land stewardship in doing all of the following:

16 (1) Transferring moneys collected from the state assessment  
17 for clean water to the clean water fund created in section  
18 466B.51.

19 (2) Being reimbursed for reasonable expenses incurred  
20 in conducting an initial or special referendum to establish,  
21 continue, or terminate a state assessment for clean water.

22 Sec. 92. Section 185C.11A, Code 2022, is amended by adding  
23 the following new subsection:

24 NEW SUBSECTION. 5. The board shall not expend moneys  
25 collected from the state assessment for clean water to support  
26 the program.

27 Sec. 93. Section 185C.15, Code 2022, is amended to read as  
28 follows:

29 **185C.15 Term of promotional order — automatic extension.**

30 A promotional order shall be effective for four years from  
31 its effective date. Upon the date that ~~an~~ the promotional  
32 order is due to expire the order shall automatically be  
33 extended for an additional four years from the date that the  
34 order or last extension would otherwise expire, except as  
35 provided in section 185C.24. A state assessment for clean

1 water shall continue for the same period as the promotional  
 2 order unless the state assessment for clean water is terminated  
 3 as provided in section 185C.24.

4 Sec. 94. Section 185C.21, Code 2022, is amended to read as  
 5 follows:

6 **185C.21 State ~~assessment~~ assessments — rates.**

7 1. The board shall determine and set the rate of the state  
 8 assessment rate for direct use as part of the promotional  
 9 order. ~~State assessments~~ A state assessment for direct use  
 10 collected pursuant to the promotional order shall be paid  
 11 into the corn promotion fund established in [section 185C.26](#).  
 12 Except as provided in [subsection 2](#) subsections 2 and 3, a state  
 13 assessment for direct use shall not exceed one-quarter of one  
 14 cent per bushel upon corn marketed in this state.

15 2. Upon request of the board, the secretary shall call  
 16 a special referendum for producers to vote on whether to  
 17 authorize an increase in the rate of the state assessment  
 18 for direct use above one-quarter of one cent per bushel,  
 19 notwithstanding [subsection 1](#). The special referendum shall be  
 20 conducted as provided in [this chapter](#) for ~~referendum elections~~  
 21 referendums. However, the special referendum shall not affect  
 22 the existence or length of the promotional order in effect. If  
 23 a majority of the producers voting in the special referendum  
 24 approve the increase, the board may increase the state  
 25 assessment for direct use to the amount approved in the special  
 26 referendum. The board shall establish the effective date of  
 27 a rate change. However, the rate of a state assessment for  
 28 direct use shall not exceed a scheduled maximum rate determined  
 29 as follows:

30 a. Before September 1, 2014, one cent.

31 b. For each marketing year of the period beginning September  
 32 1, 2014, and ending August 31, 2019, two cents.

33 c. For each marketing year beginning on and after September  
 34 1, 2019, three cents.

35 3. The rate of the state assessment for clean water shall

1 be established by the board not to exceed the rate of the  
 2 state assessment for direct use in effect on the date that the  
 3 special referendum establishing the state assessment for clean  
 4 water is approved.

5 4. a. Upon request of the board, the secretary shall  
 6 call a special referendum for producers to vote on whether to  
 7 authorize an increase in the state assessment for clean water  
 8 to be established by the board at a rate not to exceed the  
 9 rate of the state assessment for direct use in effect under  
 10 subsection 2. The special referendum shall be conducted in the  
 11 same manner as provided in that subsection.

12 b. Upon request of the board, the secretary shall include,  
 13 as part of the special referendum conducted under subsection  
 14 2, a separate special question whether to increase the rate  
 15 of the state assessment for clean water to be established by  
 16 the board at a rate not to exceed the rate of the proposed  
 17 increased amount of the state assessment for direct use, if the  
 18 secretary determines the inclusion of the special question is  
 19 cost-effective or the request demands inclusion.

20 Sec. 95. Section 185C.22, Code 2022, is amended to read as  
 21 follows:

22 **185C.22 State ~~assessment~~ assessments on purchase invoice.**

23 1. After a promotional order has been issued, the first  
 24 purchaser at the time of payment for corn shall show the  
 25 total amount of state assessment for direct use and the state  
 26 assessment for clean water deducted from the sale on the  
 27 purchase invoice.

28 2. The board shall require the invoice to separately  
 29 indicate the amount withheld for the state assessment for  
 30 direct use and the state assessment for clean water. The board  
 31 may require a separate invoice for the state assessment for  
 32 clean water. An invoice may correspond to any invoice required  
 33 to collect the federal assessment pursuant to section 185C.25A.

34 Sec. 96. Section 185C.24, Code 2022, is amended to read as  
 35 follows:

1     **185C.24 Cancellation, and suspension, and termination.**

2     1. The board shall be suspended and board operations and  
3 terms of members shall cease upon either of the following  
4 events:

5     a. The state assessment for direct use is terminated  
6 pursuant to [section 185C.25](#).

7     b. The state assessment for direct use is suspended pursuant  
8 to [section 185C.25A](#).

9     2. a. However, notwithstanding [subsection 1](#), the board  
10 shall continue to operate until proceeds remaining in the corn  
11 promotion fund are disbursed. Disbursement shall be made as  
12 provided for payment of moneys under [section 185C.26](#).

13     b. In addition, the board shall continue to transfer  
14 remaining moneys collected from the state assessment for clean  
15 water to the clean water fund created in section 466B.51.

16     3. The secretary shall order that the board be reconstituted  
17 upon either of the following events:

18     a. Recommencement of the promotional order, pursuant to  
19 [section 185C.25](#).

20     b. Termination of the promotional order's suspension,  
21 pursuant to [section 185C.25A](#).

22     4. Until the board is reconstituted under [section 185C.8](#),  
23 the secretary has the powers to perform the duties of the board  
24 as provided in [this chapter](#), including the collection of the  
25 state assessment for direct use at the rate in effect on the  
26 date when collection of the state assessment for direct use  
27 was terminated pursuant to [section 185C.25](#). However, the  
28 secretary shall not expend ~~funds~~ moneys collected from the  
29 state assessment for direct use.

30     5. Until the board is reconstituted, the secretary shall  
31 collect any state assessment for clean water equal to the rate  
32 when the state assessment for clean water was terminated. The  
33 secretary shall transfer the collected moneys to the clean  
34 water fund created in section 466B.51.

35     Sec. 97. Section 185C.25, Code 2022, is amended to read as

1 follows:

2 **185C.25 Effective period of promotional order and state**  
 3 **assessments — special referendums — termination.**

4 1. a. A state assessment for direct use adopted upon the  
 5 initiation of a promotional order shall be collected during  
 6 the effective period of the promotional order, ~~and~~. The state  
 7 assessment for direct use shall have no effect upon termination  
 8 of the promotional order.

9 b. A state assessment for clean water if established shall  
 10 be collected during the effective period of the promotional  
 11 order. The state assessment for clean water shall have no  
 12 effect upon the termination of the promotional order.

13 2. Upon adoption or extension of the promotional order, the  
 14 order shall be effective for the period described in section  
 15 185C.15 unless the order is terminated as provided in this  
 16 section or suspended as provided in [section 185C.25A](#).

17 ~~2.~~ 3. a. The secretary shall call a special referendum to  
 18 terminate the promotional order including the state assessment  
 19 for direct use imposed as part of the promotional order, and  
 20 the state assessment for clean water if established.

21 b. The secretary shall call, as provided in subsection 4, a  
 22 special referendum to terminate the state assessment for clean  
 23 water, if established.

24 c. The secretary shall include, as part of the special  
 25 referendum conducted under paragraph "a", a separate special  
 26 question whether to terminate the state assessment for clean  
 27 water, if the secretary determines the inclusion of the special  
 28 question is cost-effective or the petition demands inclusion.

29 4. The secretary shall call a special referendum under this  
 30 section if all the following conditions are met:

31 a. The secretary receives a petition signed by at least five  
 32 percent of the state's producers reported in the most recent  
 33 United States census of agriculture.

34 b. The petition is signed by at least five percent of the  
 35 state's producers residing in each of five districts according

1 to the most recent United States census of agriculture.

2 c. The secretary receives the petition not less than one  
3 hundred fifty days from the date that the order is due to  
4 expire, but receives the petition not more than two hundred  
5 forty days before the date that the order is due to expire.

6 ~~3.~~ 5. a. The secretary shall conduct the election ~~as~~  
7 ~~provided for a~~ special referendum to terminate the promotional  
8 order including the state assessment for direct use and the  
9 state assessment for clean water in the same manner as an  
10 initial referendum conducted under this chapter, including  
11 sections 185C.16 through 185C.20.

12 b. The secretary shall conduct the special referendum to  
13 terminate the state assessment for clean water in the same  
14 manner as an initial referendum conducted under this chapter,  
15 including sections 185C.16 through 185C.20.

16 6. a. If upon counting and tabulating the ballots, the  
17 secretary determines that a majority of voting producers ~~favor~~  
18 approves termination of the ~~state assessment~~ promotional order,  
19 the secretary, in cooperation with the board, shall terminate  
20 the state assessment for direct use and any state assessment  
21 for clean water in an orderly manner as soon as practicable.

22 b. If upon counting and tabulating the ballots, the  
23 secretary determines that a majority of voting producers  
24 approves termination of the state assessment for clean water,  
25 the secretary, in cooperation with the board, shall terminate  
26 the state assessment for clean water in an orderly manner as  
27 soon as practicable.

28 ~~4.~~ 7. a. If ~~the assessment~~ the promotional order is  
29 terminated, ~~another~~ a succeeding referendum to recommence the  
30 promotional order shall not be ~~held~~ conducted for at least  
31 one hundred eighty days from the date that the ~~assessment~~  
32 promotional order is terminated.

33 b. If a state assessment for clean water is terminated,  
34 another special referendum or a succeeding referendum to  
35 recommence the promotional order which includes a separate



1 special question to establish a state assessment shall not be  
 2 conducted for at least one hundred eighty days from the date  
 3 that the promotional order is terminated.

4 8. A succeeding referendum to ~~restore the assessment~~  
 5 recommence the promotional order shall be called by the  
 6 secretary upon receipt of a petition of at least five hundred  
 7 producers requesting a the special referendum. The petitioners  
 8 shall guarantee the costs of the succeeding referendum. The  
 9 secretary shall conduct the ~~election~~ succeeding referendum as  
 10 provided for a an initial referendum under this chapter  
 11 section 185C.2 not later than one hundred fifty days after the  
 12 secretary receives the petition. If a succeeding referendum  
 13 held conducted pursuant to this subsection is approved by  
 14 producers, the promotional order shall ~~commence~~ recommence no  
 15 later than two hundred ten days following the date that the  
 16 petition is received by the secretary.

17 9. a. A special referendum to restore the state assessment  
 18 for clean water shall be called by the secretary upon petition  
 19 that otherwise complies with a petition to recommence the  
 20 promotional order under subsection 8. The secretary shall  
 21 conduct the special referendum in the same manner as a  
 22 succeeding referendum conducted under that subsection. If a  
 23 special referendum conducted pursuant to this paragraph is  
 24 approved by producers, the state assessment for clean water  
 25 shall resume not later than two hundred ten days following the  
 26 date that the petition is received by the secretary.

27 b. Upon receipt of a petition that otherwise complies with  
 28 a petition to recommence the promotional order under subsection  
 29 8, the secretary shall include as part of the succeeding  
 30 referendum conducted under that subsection a separate special  
 31 question whether to restore the state assessment for clean  
 32 water, if the secretary determines the inclusion of the special  
 33 question is cost-effective or the request demands inclusion.  
 34 If the special question is approved by producers, the state  
 35 assessment for clean water shall resume in the same manner as

1 described in paragraph "a".

2     Sec. 98. Section 185C.25A, Code 2022, is amended to read as  
3 follows:

4     **185C.25A Collection of federal assessment.**

5     1. a. Prior to the collection of the federal assessment,  
6 the board may approve the continued collection of the state  
7 assessment for direct use as part of the promotional order  
8 during the collection of the federal assessment.

9     b. If a federal assessment is collected, the state  
10 assessment for clean water, if established, shall continue to  
11 be collected until terminated under section 185C.25.

12     2. If the ~~collection of~~ amount collected from the state  
13 assessment for direct use would be in addition to, and not an  
14 offset against, the ~~collection of~~ amount collected from the  
15 federal assessment, the board shall suspend the collection of  
16 the state assessment.

17     a. On the date of the termination or suspension of the  
18 federal assessment, the promotional order shall recommence and  
19 the suspension of the state assessment for direct use shall  
20 terminate.

21     b. On the date of the termination or suspension of the  
22 federal assessment, the suspension of the state assessment for  
23 clean water shall terminate.

24     Sec. 99. Section 185C.26, Code 2022, is amended to read as  
25 follows:

26     **185C.26 Deposit of moneys — corn promotion fund —**  
27 **administration of moneys.**

28     1. a. A Moneys from a state assessment for direct use  
29 imposed as part of a promotional order and collected by the  
30 board from a sale of corn shall be deposited in the office of  
31 the treasurer of state in a special fund known as the corn  
32 promotion fund. The corn promotion fund may also include  
33 any gifts, rents, royalties, interest, license fees, or a  
34 federal or state grant received by the board. ~~Moneys~~ The  
35 moneys collected, deposited in the corn promotion fund, and

1 transferred to the board as provided in [this chapter](#) shall be  
 2 subject to audit by the auditor of state. The auditor of state  
 3 may seek reimbursement for the cost of the audit from moneys  
 4 deposited in the fund as provided in [this chapter](#).

5 b. The department of administrative services shall transfer  
 6 moneys from the corn promotion fund to the board for deposit  
 7 into an account established by the board in a qualified  
 8 financial institution. The department shall transfer the  
 9 moneys as provided in a resolution adopted by the board.  
 10 However, the department is only required to transfer moneys  
 11 once during each day and only during hours when the offices of  
 12 the state are open.

13 c. From moneys collected, the board shall first pay all  
 14 the direct and indirect costs incurred by the secretary and  
 15 the costs of initial and special referendums, elections, and  
 16 other expenses incurred in the administration of [this chapter](#),  
 17 before moneys may be expended to carry out the purposes of this  
 18 chapter as provided in [section 185C.11](#).

19 2. Moneys from a state assessment for clean water collected  
 20 by the board may be deposited in a qualified financial  
 21 institution and shall be transferred to the clean water fund  
 22 created in section 466B.51.

23 Sec. 100. Section 185C.27, Code 2022, is amended to read as  
 24 follows:

25 **185C.27 Refund of ~~assessment~~ state assessments.**

26 1. a. A producer who has sold corn and had a state  
 27 assessment for direct use deducted from the sale price, by  
 28 application in writing to the board, may secure a refund in the  
 29 amount deducted. The refund shall be payable only when the  
 30 application shall have been made to the board within sixty days  
 31 after the deduction. The board shall have thirty days from the  
 32 date the application for refund is received to remit the refund  
 33 to the producer.

34 b. A producer who has sold corn and had the state  
 35 assessment for clean water deducted from the sale price may,

1 by application in writing to the board, secure a refund of the  
 2 amount deducted payable by the division of soil conservation  
 3 and water quality of the department of agriculture and land  
 4 stewardship. The board shall forward approved applications to  
 5 the division within sixty days after the deduction.

6 2. Application forms shall be given by the board to  
 7 each first purchaser when requested and the first purchaser  
 8 shall make the applications available to any producer. Each  
 9 application for refund by a producer shall have attached to  
 10 the application proof of the state assessment deducted. The  
 11 proof of state assessment may be in the form of a duplicate  
 12 or certified copy of the purchase invoice by the first  
 13 purchaser. The board shall have thirty days from the date the  
 14 application for refund is received to remit the refund to the  
 15 producer. The form shall allow the applicant to elect whether  
 16 the refund is for the state assessment for direct use or the  
 17 state assessment for clean water or both. The board shall not  
 18 approve an application unless the application indicates the  
 19 election.

20 3. a. The board may provide for refunds of a federal  
 21 assessment as provided by federal law. Unless inconsistent  
 22 with federal law, refunds shall be made under [section 185C.26](#).

23 b. The board may provide for filing applications for a  
 24 refund of the state assessment for direct use and the state  
 25 assessment for clean water based on applicable procedures  
 26 for the filing of applications for refunds of the federal  
 27 assessment.

28 Sec. 101. Section 185C.29, subsection 1, Code 2022, is  
 29 amended to read as follows:

30 1. a. After the direct and indirect costs incurred by the  
 31 secretary and the costs of elections, referendums, necessary  
 32 board expenses, and administrative costs have been paid, at  
 33 least seventy-five percent of the remaining moneys from a  
 34 state assessment for direct use shall be deposited in the corn  
 35 promotion fund and shall be used to carry out the purposes of

1 the board as provided in [section 185C.11](#).

2 b. Except as expressly provided in this chapter, moneys  
3 collected from the state assessment for clean water shall not  
4 be used for any purpose other than to be transferred to the  
5 clean water fund created pursuant to section 466B.51.

6 Sec. 102. Section 185C.33, Code 2022, is amended to read as  
7 follows:

8 **185C.33 Report.**

9 The board shall each year prepare and submit a report  
10 summarizing the activities of the board under [this chapter](#) to  
11 the auditor of state and the secretary ~~of agriculture~~. The  
12 report shall show all income, expenses, and other relevant  
13 information concerning ~~fees~~ the state assessment for direct use  
14 collected and expended under the provisions of [this chapter](#).

15 DIVISION IX

16 CLEAN WATER FUND

17 Sec. 103. NEW SECTION. 7D.10B **Payment to the clean water**  
18 **fund.**

19 If moneys are not sufficient to reimburse the department of  
20 agriculture and land stewardship or a commodity organization  
21 described in section 466B.51 for reasonable expenses incurred  
22 in conducting a referendum to establish, continue, or terminate  
23 a state assessment for clean water, the executive council may  
24 authorize as an expense paid from the appropriations addressed  
25 in section 7D.29 the payment of an amount to the clean water  
26 fund created in section 466B.51. However, not more than a  
27 total of one hundred thousand dollars shall be paid pursuant  
28 to this section to the fund at any one time to pay for expenses  
29 incurred in conducting a referendum.

30 Sec. 104. Section 423.2, subsections 1, 2, 3, 4, 5, 7, 8, 9,  
31 10, and 12, Code 2022, are amended to read as follows:

32 1. a. There is imposed a tax of six percent upon the sales  
33 price of all sales of tangible personal property, sold at  
34 retail in the state to consumers or users except as otherwise  
35 provided in [this subchapter](#). This paragraph is repealed on the

1 date that paragraph "b" takes effect.

2 b. There is imposed a tax of six and one-eighth percent upon  
 3 the sales price of all sales of tangible personal property,  
 4 consisting of goods, wares, or merchandise, sold at retail in  
 5 the state to consumers or users except as otherwise provided  
 6 in [this subchapter](#). This paragraph takes effect on July 1 of  
 7 the fiscal year in which the department receives the first  
 8 certification that commodity organizations have collected  
 9 twenty million dollars from state assessments for clean  
 10 water during the preceding fiscal year as provided in section  
 11 466B.55. This paragraph is repealed on the date that paragraph  
 12 "c" takes effect.

13 c. There is imposed a tax of six and two-eighths percent  
 14 upon the sales price of all sales of tangible personal  
 15 property, consisting of goods, wares, or merchandise, sold at  
 16 retail in the state to consumers or users except as otherwise  
 17 provided in [this subchapter](#). This paragraph takes effect on  
 18 July 1 of the fiscal year in which the department receives  
 19 the second certification that commodity organizations have  
 20 collected twenty million dollars from state assessments for  
 21 clean water during the preceding fiscal year as provided in  
 22 section 466B.55. This paragraph is repealed on the date that  
 23 paragraph "d" takes effect.

24 d. There is imposed a tax of six and three-eighths percent  
 25 upon the sales price of all sales of tangible personal  
 26 property, consisting of goods, wares, or merchandise, sold at  
 27 retail in the state to consumers or users except as otherwise  
 28 provided in [this subchapter](#). This paragraph takes effect on  
 29 July 1 of the fiscal year in which the department receives  
 30 the third certification that commodity organizations have  
 31 collected twenty million dollars from state assessments for  
 32 clean water during the preceding fiscal year as provided in  
 33 section 466B.55.

34 a. e. For the purposes of [this subchapter](#), sales of  
 35 the following services are treated as if they were sales of

1 tangible personal property:

2 (1) Sales of engraving, printing, and binding services.

3 (2) Sales of vulcanizing, recapping, and retreading  
4 services.

5 (3) Sales of prepaid calling services and prepaid wireless  
6 calling services.

7 (4) Sales of optional service or warranty contracts, except  
8 residential service contracts regulated under [chapter 523C](#),  
9 which provide for the furnishing of labor and materials and  
10 require the furnishing of any taxable service enumerated under  
11 this section. The sales price is subject to tax even if some of  
12 the services furnished are not enumerated under [this section](#).  
13 Additional sales, services, or use taxes shall not be levied  
14 on services, parts, or labor provided under optional service  
15 or warranty contracts which are subject to tax under this  
16 subsection.

17 (5) Sales of optional service or warranty contracts for  
18 computer software maintenance or support services.

19 (a) If a service or warranty contract does not specify a fee  
20 amount for nontaxable services or taxable personal property,  
21 the tax imposed pursuant to [this section](#) shall be imposed upon  
22 an amount equal to the sales price of the contract.

23 (b) If a service or warranty contract provides only for  
24 technical support services, no tax shall be imposed pursuant to  
25 this section.

26 (6) Subparagraphs (4) and (5) shall also apply to the use  
27 tax imposed under [section 423.5](#).

28 ~~b.~~ f. Sales of building materials, supplies, and equipment  
29 to owners, contractors, subcontractors, or builders for the  
30 erection of buildings or the alteration, repair, or improvement  
31 of real property are retail sales of tangible personal property  
32 in whatever quantity sold. Where the owner, contractor,  
33 subcontractor, or builder is also a retailer holding a retail  
34 sales tax permit and transacting retail sales of building  
35 materials, supplies, and equipment, the person shall purchase

1 such items of tangible personal property without liability for  
 2 the tax if such property will be subject to the tax at the  
 3 time of resale or at the time it is withdrawn from inventory  
 4 for construction purposes. The sales tax shall be due in the  
 5 reporting period when the materials, supplies, and equipment  
 6 are withdrawn from inventory for construction purposes or  
 7 when sold at retail. The tax shall not be due when materials  
 8 are withdrawn from inventory for use in construction outside  
 9 of Iowa and the tax shall not apply to tangible personal  
 10 property purchased and consumed by the manufacturer as building  
 11 materials in the performance by the manufacturer or its  
 12 subcontractor of construction outside of Iowa. The sale of  
 13 carpeting is not a sale of building materials. The sale of  
 14 carpeting to owners, contractors, subcontractors, or builders  
 15 shall be treated as the sale of ordinary tangible personal  
 16 property and subject to the tax imposed under [this subsection](#)  
 17 and the use tax.

18 ~~e.~~ g. The use within this state of tangible personal  
 19 property by the manufacturer thereof, as building materials,  
 20 supplies, or equipment, in the performance of construction  
 21 contracts in Iowa, shall, for the purpose of [this subchapter](#),  
 22 be construed as a sale at retail of tangible personal property  
 23 by the manufacturer who shall be deemed to be the consumer of  
 24 such tangible personal property. The tax shall be computed  
 25 upon the cost to the manufacturer of the fabrication or  
 26 production of the tangible personal property.

27 2. a. A tax of six percent is imposed upon the sales price  
 28 of the sale or furnishing of gas, electricity, water, heat,  
 29 pay television service, and communication service, including  
 30 the sales price from such sales by any municipal corporation  
 31 or joint water utility furnishing gas, electricity, water,  
 32 heat, pay television service, and communication service to  
 33 the public in its proprietary capacity, except as otherwise  
 34 provided in [this subchapter](#), when sold at retail in the state  
 35 to consumers or users. This paragraph is repealed on the date



1 that paragraph "b" takes effect.

2 b. A tax of six and one-eighth percent is imposed upon the  
3 sales price of the sale or furnishing of gas, electricity,  
4 water, heat, pay television service, and communication service,  
5 including the sales price from such sales by any municipal  
6 corporation or joint water utility furnishing gas, electricity,  
7 water, heat, pay television service, and communication service  
8 to the public in its proprietary capacity, except as otherwise  
9 provided in [this subchapter](#), when sold at retail in the state  
10 to consumers or users. This paragraph takes effect on July 1  
11 of the fiscal year in which the department receives the first  
12 certification that commodity organizations have collected  
13 twenty million dollars from state assessments for clean  
14 water during the preceding fiscal year as provided in section  
15 466B.55. This paragraph is repealed on the date that paragraph  
16 "c" takes effect.

17 c. A tax of six and two-eighths percent is imposed upon  
18 the sales price of the sale or furnishing of gas, electricity,  
19 water, heat, pay television service, and communication service,  
20 including the sales price from such sales by any municipal  
21 corporation or joint water utility furnishing gas, electricity,  
22 water, heat, pay television service, and communication service  
23 to the public in its proprietary capacity, except as otherwise  
24 provided in [this subchapter](#), when sold at retail in the state  
25 to consumers or users. This paragraph takes effect on July 1  
26 of the fiscal year in which the department receives the second  
27 certification that commodity organizations have collected  
28 twenty million dollars from state assessments for clean  
29 water during the preceding fiscal year as provided in section  
30 466B.55. This paragraph is repealed on the date that paragraph  
31 "d" takes effect.

32 d. A tax of six and three-eighths percent is imposed upon  
33 the sales price of the sale or furnishing of gas, electricity,  
34 water, heat, pay television service, and communication service,  
35 including the sales price from such sales by any municipal

1 corporation or joint water utility furnishing gas, electricity,  
2 water, heat, pay television service, and communication service  
3 to the public in its proprietary capacity, except as otherwise  
4 provided in [this subchapter](#), when sold at retail in the state  
5 to consumers or users. This paragraph takes effect on July 1  
6 of the fiscal year in which the department receives the third  
7 certification that commodity organizations have collected  
8 twenty million dollars from state assessments for clean  
9 water during the preceding fiscal year as provided in section  
10 466B.55.

11 3. a. A tax of six percent is imposed upon the sales price  
12 of all sales of tickets or admissions to places of amusement,  
13 fairs, and athletic events except those of elementary and  
14 secondary educational institutions. A tax of six percent is  
15 imposed on the sales price of an entry fee or like charge  
16 imposed solely for the privilege of participating in an  
17 activity at a place of amusement, fair, or athletic event  
18 unless the sales price of tickets or admissions charges for  
19 observing the same activity are taxable under [this subchapter](#).  
20 A tax of six percent is imposed upon that part of private  
21 club membership fees or charges paid for the privilege of  
22 participating in any athletic sports provided club members.  
23 This paragraph is repealed on the date that paragraph "b" takes  
24 effect.

25 b. A tax of six and one-eighth percent is imposed upon the  
26 sales price of all sales of tickets or admissions to places  
27 of amusement, fairs, and athletic events except those of  
28 elementary and secondary educational institutions. A tax of  
29 six and one-eighth percent is imposed on the sales price of an  
30 entry fee or like charge imposed solely for the privilege of  
31 participating in an activity at a place of amusement, fair, or  
32 athletic event unless the sales price of tickets or admissions  
33 charges for observing the same activity are taxable under this  
34 subchapter. A tax of six and one-eighth percent is imposed  
35 upon that part of private club membership fees or charges paid

1 for the privilege of participating in any athletic sports  
2 provided club members. This paragraph takes effect on July 1  
3 of the fiscal year in which the department receives the first  
4 certification that commodity organizations have collected  
5 twenty million dollars from state assessments for clean  
6 water during the preceding fiscal year as provided in section  
7 466B.55. This paragraph is repealed on the date that paragraph  
8 "c" takes effect.

9 c. A tax of six and two-eighths percent is imposed upon the  
10 sales price of all sales of tickets or admissions to places  
11 of amusement, fairs, and athletic events except those of  
12 elementary and secondary educational institutions. A tax of  
13 six and two-eighths percent is imposed on the sales price of  
14 an entry fee or like charge imposed solely for the privilege  
15 of participating in an activity at a place of amusement,  
16 fair, or athletic event unless the sales price of tickets or  
17 admissions charges for observing the same activity are taxable  
18 under [this subchapter](#). A tax of six and two-eighths percent  
19 is imposed upon that part of private club membership fees or  
20 charges paid for the privilege of participating in any athletic  
21 sports provided club members. This paragraph takes effect on  
22 July 1 of the fiscal year in which the department receives  
23 the second certification that commodity organizations have  
24 collected twenty million dollars from state assessments for  
25 clean water during the preceding fiscal year as provided in  
26 section 466B.55. This paragraph is repealed on the date that  
27 paragraph "d" takes effect.

28 d. A tax of six and three-eighths percent is imposed upon  
29 the sales price of all sales of tickets or admissions to places  
30 of amusement, fairs, and athletic events except those of  
31 elementary and secondary educational institutions. A tax of  
32 six and three-eighths percent is imposed on the sales price of  
33 an entry fee or like charge imposed solely for the privilege  
34 of participating in an activity at a place of amusement,  
35 fair, or athletic event unless the sales price of tickets or

1 admissions charges for observing the same activity are taxable  
 2 under [this subchapter](#). A tax of six and three-eighths percent  
 3 is imposed upon that part of private club membership fees or  
 4 charges paid for the privilege of participating in any athletic  
 5 sports provided club members. This paragraph takes effect on  
 6 July 1 of the fiscal year in which the department receives  
 7 the third certification that commodity organizations have  
 8 collected twenty million dollars from state assessments for  
 9 clean water during the preceding fiscal year as provided in  
 10 [section 466B.55](#).

11 4. a. (1) A tax of six percent is imposed upon the sales  
 12 price derived from the operation of all forms of amusement  
 13 devices and games of skill, games of chance, raffles, and bingo  
 14 games as defined in [chapter 99B](#), and card game tournaments  
 15 conducted under [section 99B.27](#), that are operated or conducted  
 16 within the state, the tax to be collected from the operator in  
 17 the same manner as for the collection of taxes upon the sales  
 18 price of tickets or admission as provided in [this section](#).  
 19 ~~Nothing in [this subsection](#) shall legalize any games of skill~~  
 20 ~~or chance or slot-operated devices which are now prohibited~~  
 21 ~~by law. This subparagraph is repealed on the date that~~  
 22 ~~subparagraph (2) takes effect.~~

23 (2) A tax of six and one-eighth percent is imposed upon  
 24 the sales price derived from the operation of all forms of  
 25 amusement devices and games of skill, games of chance, raffles,  
 26 and bingo games as defined in [chapter 99B](#), and card game  
 27 tournaments conducted under [section 99B.27](#), that are operated  
 28 or conducted within the state, the tax to be collected from  
 29 the operator in the same manner as for the collection of taxes  
 30 upon the sales price of tickets or admission as provided in  
 31 [this section](#). This subparagraph takes effect on July 1 of  
 32 the fiscal year in which the department receives the first  
 33 certification that commodity organizations have collected  
 34 twenty million dollars from state assessments for clean  
 35 water during the preceding fiscal year as provided in [section](#)

1 466B.55. This subparagraph is repealed on the date that  
2 subparagraph (3) takes effect.

3 (3) A tax of six and two-eighths percent is imposed upon  
4 the sales price derived from the operation of all forms of  
5 amusement devices and games of skill, games of chance, raffles,  
6 and bingo games as defined in [chapter 99B](#), and card game  
7 tournaments conducted under [section 99B.27](#), that are operated  
8 or conducted within the state, the tax to be collected from  
9 the operator in the same manner as for the collection of taxes  
10 upon the sales price of tickets or admission as provided in  
11 [this section](#). This subparagraph takes effect on July 1 of  
12 the fiscal year in which the department receives the second  
13 certification that commodity organizations have collected  
14 twenty million dollars from state assessments for clean  
15 water during the preceding fiscal year as provided in section  
16 466B.55. This subparagraph is repealed on the date that  
17 subparagraph (4) takes effect.

18 (4) A tax of six and three-eighths percent is imposed upon  
19 the sales price derived from the operation of all forms of  
20 amusement devices and games of skill, games of chance, raffles,  
21 and bingo games as defined in [chapter 99B](#), and card game  
22 tournaments conducted under [section 99B.27](#), that are operated  
23 or conducted within the state, the tax to be collected from  
24 the operator in the same manner as for the collection of taxes  
25 upon the sales price of tickets or admission as provided in  
26 [this section](#). This subparagraph takes effect on July 1 of  
27 the fiscal year in which the department receives the third  
28 certification that commodity organizations have collected  
29 twenty million dollars from state assessments for clean  
30 water during the preceding fiscal year as provided in section  
31 466B.55.

32 b. (1) The tax imposed under [this subsection](#) covers the  
33 total amount from the operation of games of skill, games  
34 of chance, raffles, and bingo games as defined in chapter  
35 99B, card game tournaments conducted under [section 99B.27](#),

1 and musical devices, weighing machines, shooting galleries,  
 2 billiard and pool tables, bowling alleys, pinball machines,  
 3 slot-operated devices selling merchandise not subject to the  
 4 general sales taxes and on the total amount from devices or  
 5 systems where prizes are in any manner awarded to patrons and  
 6 upon the receipts from fees charged for participation in any  
 7 game or other form of amusement, and generally upon the sales  
 8 price from any source of amusement operated for profit, not  
 9 specified in [this section](#), and upon the sales price from which  
 10 tax is not collected for tickets or admission, but tax shall  
 11 not be imposed upon any activity exempt from sales tax under  
 12 section 423.3, subsection 78.

13 (2) Every person receiving any sales price from the sources  
 14 described in [this section](#) is subject to all provisions of this  
 15 subchapter relating to retail sales tax and other provisions  
 16 of [this chapter](#) as applicable.

17 c. Nothing in this subsection shall legalize any games  
 18 of skill or chance or slot-operated devices which are now  
 19 prohibited by law.

20 5. a. There is imposed a tax of six percent upon the sales  
 21 price from the furnishing of services as defined in section  
 22 423.1. This paragraph is repealed on the date that paragraph  
 23 "b" takes effect.

24 b. There is imposed a tax of six and one-eighth percent  
 25 upon the sales price from the furnishing of services as defined  
 26 in section 423.1. This paragraph takes effect on July 1 of  
 27 the fiscal year in which the department receives the first  
 28 certification that commodity organizations have collected  
 29 twenty million dollars from state assessments for clean  
 30 water during the preceding fiscal year as provided in section  
 31 466B.55. This paragraph is repealed on the date that paragraph  
 32 "c" takes effect.

33 c. There is imposed a tax of six and two-eighths percent  
 34 upon the sales price from the furnishing of services as defined  
 35 in section 423.1. This paragraph takes effect on July 1 of

1 the fiscal year in which the department receives the second  
 2 certification that commodity organizations have collected  
 3 twenty million dollars from state assessments for clean  
 4 water during the preceding fiscal year as provided in section  
 5 466B.55. This paragraph is repealed on the date that paragraph  
 6 "d" takes effect.

7 d. There is imposed a tax of six and three-eighths percent  
 8 upon the sales price from the furnishing of services as defined  
 9 in section 423.1. This paragraph takes effect on July 1 of  
 10 the fiscal year in which the department receives the third  
 11 certification that commodity organizations have collected  
 12 twenty million dollars from state assessments for clean  
 13 water during the preceding fiscal year as provided in section  
 14 466B.55.

15 7. a. (1) A tax of six percent is imposed upon the sales  
 16 price from the sales, furnishing, or service of solid waste  
 17 collection and disposal service. This subparagraph is repealed  
 18 on the date that subparagraph (2) takes effect.

19 (2) A tax of six and one-eighth percent is imposed upon the  
 20 sales price from the sales, furnishing, or service of solid  
 21 waste collection and disposal service. This subparagraph takes  
 22 effect on July 1 of the fiscal year in which the department  
 23 receives the first certification that commodity organizations  
 24 have collected twenty million dollars from state assessments  
 25 for clean water during the preceding fiscal year as provided  
 26 in section 466B.55. This subparagraph is repealed on the date  
 27 that subparagraph (3) takes effect.

28 (3) A tax of six and two-eighths percent is imposed upon  
 29 the sales price from the sales, furnishing, or service of solid  
 30 waste collection and disposal service. This subparagraph takes  
 31 effect on July 1 of the fiscal year in which the department  
 32 receives the second certification that commodity organizations  
 33 have collected twenty million dollars from state assessments  
 34 for clean water during the preceding fiscal year as provided  
 35 in section 466B.55. This subparagraph is repealed on the date

1 that subparagraph (4) takes effect.

2 (4) A tax of six and three-eighths percent is imposed upon  
 3 the sales price from the sales, furnishing, or service of solid  
 4 waste collection and disposal service. This subparagraph takes  
 5 effect on July 1 of the fiscal year in which the department  
 6 receives the third certification that commodity organizations  
 7 have collected twenty million dollars from state assessments  
 8 for clean water during the preceding fiscal year as provided  
 9 in section 466B.55.

10 b. (1) For purposes of this subsection, "*solid waste*" means  
 11 garbage, refuse, sludge from a water supply treatment plant  
 12 or air contaminant treatment facility, and other discarded  
 13 waste materials and sludges, in solid, semisolid, liquid,  
 14 or contained gaseous form, resulting from nonresidential  
 15 commercial operations, but does not include auto hulks; street  
 16 sweepings; ash; construction debris; mining waste; trees;  
 17 tires; lead acid batteries; used oil; hazardous waste; animal  
 18 waste used as fertilizer; earthen fill, boulders, or rock;  
 19 foundry sand used for daily cover at a sanitary landfill;  
 20 sewage sludge; solid or dissolved material in domestic  
 21 sewage or other common pollutants in water resources, such as  
 22 silt, dissolved or suspended solids in industrial wastewater  
 23 effluents or discharges which are point sources subject to  
 24 permits under section 402 of the federal Water Pollution  
 25 Control Act, or dissolved materials in irrigation return flows;  
 26 or source, special nuclear, or by-product material defined by  
 27 the federal Atomic Energy Act of 1954.

28 (2) A recycling facility that separates or processes  
 29 recyclable materials and that reduces the volume of the waste  
 30 by at least eighty-five percent is exempt from the tax imposed  
 31 by this subsection if the waste exempted is collected and  
 32 disposed of separately from other solid waste.

33 ~~b.~~ c. A person who transports solid waste generated by that  
 34 person or another person without compensation shall pay the  
 35 tax imposed by this subsection at the collection or disposal



1 facility based on the disposal charge or tipping fee. However,  
 2 the costs of a service or portion of a service to collect and  
 3 manage recyclable materials separated from solid waste by  
 4 the waste generator are exempt from the tax imposed by this  
 5 subsection.

6 8. a. (1) A tax of six percent is imposed on the sales  
 7 price from sales of bundled transactions. ~~For the purposes of~~  
 8 ~~this subsection, a "bundled transaction" is the retail sale of~~  
 9 ~~two or more distinct and identifiable products, except real~~  
 10 ~~property and services to real property, which are sold for one~~  
 11 ~~nonitemized price. A "bundled transaction" does not include~~  
 12 ~~the sale of any products in which the sales price varies, or~~  
 13 ~~is negotiable, based on the selection by the purchaser of the~~  
 14 ~~products included in the transaction. This subparagraph is~~  
 15 repealed on the date that subparagraph (2) takes effect.

16 (2) A tax of six and one-eighth percent is imposed on  
 17 the sales price from sales of bundled transactions. This  
 18 subparagraph (2) takes effect on July 1 of the fiscal year in  
 19 which the department receives the first certification that  
 20 commodity organizations have collected twenty million dollars  
 21 from state assessments for clean water during the preceding  
 22 fiscal year as provided in section 466B.55. This subparagraph  
 23 is repealed on the date that subparagraph (3) takes effect.

24 (3) A tax of six and two-eighths percent is imposed on  
 25 the sales price from sales of bundled transactions. This  
 26 subparagraph takes effect on July 1 of the fiscal year in which  
 27 the department receives the second certification that commodity  
 28 organizations have collected twenty million dollars from state  
 29 assessments for clean water during the preceding fiscal year as  
 30 provided in section 466B.55. This subparagraph is repealed on  
 31 the date that subparagraph (4) takes effect.

32 (4) A tax of six and three-eighths percent is imposed on  
 33 the sales price from sales of bundled transactions. This  
 34 subparagraph takes effect on July 1 of the fiscal year in which  
 35 the department receives the third certification that commodity

1 organizations have collected twenty million dollars from state  
 2 assessments for clean water during the preceding fiscal year  
 3 as provided in section 466B.55.

4 *b.* For the purposes of [this subsection](#), a “*bundled*  
 5 *transaction*” is the retail sale of two or more distinct and  
 6 identifiable products, except real property and services to  
 7 real property, which are sold for one nonitemized price. A  
 8 “*bundled transaction*” does not include the sale of any products  
 9 in which the sales price varies, or is negotiable, based on  
 10 the selection by the purchaser of the products included in the  
 11 transaction.

12 ~~*b.*~~ *c.* “*Distinct and identifiable products*” does not include  
 13 any of the following:

14 (1) Packaging or other materials that accompany the retail  
 15 sale of the products and that are incidental or immaterial to  
 16 the retail sale of the products.

17 (2) ~~A product~~ Products provided free of charge with the  
 18 required purchase of another product. A product is “*provided*  
 19 *free of charge*” if the sales price of the product purchased does  
 20 not vary depending on the inclusion of the product which is  
 21 provided free of charge.

22 (3) Items included in the definition of “*sales price*”  
 23 pursuant to [section 423.1](#).

24 ~~*c.*~~ *d.* “*One nonitemized price*” does not include a price that  
 25 is separately identified by product on binding sales or other  
 26 supporting sales-related documentation made available to the  
 27 customer in paper or electronic form.

28 ~~*d.*~~ *e.* A transaction that otherwise meets the definition of  
 29 “*bundled transaction*” as defined in [this subsection](#) is not a  
 30 bundled transaction if it is any of the following:

31 (1) The retail sale of tangible personal property or a  
 32 specified digital product and a service, where the tangible  
 33 personal property or specified digital product is essential  
 34 to the use of the service, and is provided exclusively in  
 35 connection with the service, and the true object of the

1 transaction is the service.

2 (2) The retail sale of services where one service is  
3 provided that is essential to the use or receipt of a second  
4 service, and the first service is provided exclusively in  
5 connection with the second service, and the true object of the  
6 transaction is the second service.

7 (3) (a) A transaction that includes taxable products and  
8 nontaxable products and the purchase price or sales price of  
9 the taxable products is de minimis.

10 (b) For purposes of this subparagraph, "*de minimis*" means  
11 the seller's purchase or sales price of the taxable products is  
12 ten percent or less of the total purchase price or sales price  
13 of the bundled products. ~~Sellers~~ A seller shall use either the  
14 purchase price or the sale price of the products to determine  
15 if the taxable products are de minimis. ~~Sellers may~~ A seller  
16 shall not use a combination of the purchase price and sales  
17 price of the products to determine if the taxable products are  
18 de minimis.

19 (4) The retail sale of exempt tangible personal property and  
20 taxable tangible personal property where all of the following  
21 apply:

22 (a) The transaction includes food ~~and~~ or food ingredients,  
23 drugs, durable medical equipment, mobility enhancing equipment,  
24 prosthetic devices, or medical supplies.

25 (b) The seller's purchase price or sales price of the  
26 taxable tangible personal property is fifty percent or less  
27 of the total purchase price or sales price of the bundled  
28 tangible personal property. ~~Sellers may~~ A seller shall not  
29 use a combination of the purchase price and sales price of  
30 the tangible personal property when making the fifty percent  
31 determination for a transaction.

32 9. a. (1) A tax of six percent is imposed upon the sales  
33 price from any mobile telecommunications service, including all  
34 paging services, that this state is allowed to tax pursuant  
35 to the provisions of the federal Mobile Telecommunications

1 Sourcing Act, Pub. L. No. 106-252, 4 U.S.C. §116 et seq. This  
2 subparagraph is repealed on the date that subparagraph (2)  
3 takes effect.

4 (2) A tax of six and one-eighth percent is imposed upon  
5 the sales price from any mobile telecommunications service,  
6 including all paging services, that this state is allowed  
7 to tax pursuant to the provisions of the federal Mobile  
8 Telecommunications Sourcing Act, Pub. L. No. 106-252, 4 U.S.C.  
9 §116 et seq. This subparagraph takes effect on July 1 of  
10 the fiscal year in which the department receives the first  
11 certification that commodity organizations have collected  
12 twenty million dollars from state assessments for clean  
13 water during the preceding fiscal year as provided in section  
14 466B.55. This subparagraph is repealed on the date that  
15 subparagraph (3) takes effect.

16 (3) A tax of six and two-eighths percent is imposed upon  
17 the sales price from any mobile telecommunications service,  
18 including all paging services, that this state is allowed  
19 to tax pursuant to the provisions of the federal Mobile  
20 Telecommunications Sourcing Act, Pub. L. No. 106-252, 4 U.S.C.  
21 §116 et seq. This subparagraph takes effect on July 1 of  
22 the fiscal year in which the department receives the second  
23 certification that commodity organizations have collected  
24 twenty million dollars from state assessments for clean  
25 water during the preceding fiscal year as provided in section  
26 466B.55. This subparagraph is repealed on the date that  
27 subparagraph (4) takes effect.

28 (4) A tax of six and three-eighths percent is imposed upon  
29 the sales price from any mobile telecommunications service,  
30 including all paging services, that this state is allowed  
31 to tax pursuant to the provisions of the federal Mobile  
32 Telecommunications Sourcing Act, Pub. L. No. 106-252, 4 U.S.C.  
33 §116 et seq. This subparagraph takes effect on July 1 of  
34 the fiscal year in which the department receives the third  
35 certification that commodity organizations have collected

1 twenty million dollars from state assessments for clean  
2 water during the preceding fiscal year as provided in section  
3 466B.55.

4 b. For purposes of this subsection, taxes on mobile  
5 telecommunications service, as defined under the federal Mobile  
6 Telecommunications Sourcing Act that are deemed to be provided  
7 by the customer's home service provider, shall be paid to  
8 the taxing jurisdiction whose territorial limits encompass  
9 the customer's place of primary use, regardless of where the  
10 mobile telecommunications service originates, terminates,  
11 or passes through and shall in all other respects be taxed  
12 in conformity with the federal Mobile Telecommunications  
13 Sourcing Act. All other provisions of the federal Mobile  
14 Telecommunications Sourcing Act are adopted by the state of  
15 Iowa and incorporated into this subsection by reference. With  
16 respect to mobile telecommunications service under the federal  
17 Mobile Telecommunications Sourcing Act, the director shall, if  
18 requested, enter into agreements consistent with the provisions  
19 of the federal Act.

20 10. a. (1) A tax of six percent is imposed on the  
21 sales price of specified digital products sold at retail in  
22 the state. This subparagraph is repealed on the date that  
23 subparagraph (2) takes effect.

24 (2) A tax of six and one-eighth percent is imposed upon the  
25 sales price of specified digital products sold at retail in the  
26 state. This subparagraph takes effect on July 1 of the fiscal  
27 year in which the department receives the first certification  
28 that commodity organizations have collected twenty million  
29 dollars from state assessments for clean water during the  
30 preceding fiscal year as provided in section 466B.55. This  
31 subparagraph is repealed on the date that subparagraph (3)  
32 takes effect.

33 (3) A tax of six and two-eighths percent is imposed upon the  
34 sales price of specified digital products sold at retail in the  
35 state. This subparagraph takes effect on July 1 of the fiscal

1 year in which the department receives the second certification  
 2 that commodity organizations have collected twenty million  
 3 dollars from state assessments for clean water during the  
 4 preceding fiscal year as provided in section 466B.55. This  
 5 subparagraph is repealed on the date that subparagraph (4)  
 6 takes effect.

7 (4) A tax of six and three-eighths percent is imposed upon  
 8 the sales price of specified digital products sold at retail  
 9 in the state. This subparagraph takes effect on July 1 of  
 10 the fiscal year in which the department receives the third  
 11 certification that commodity organizations have collected  
 12 twenty million dollars from state assessments for clean  
 13 water during the preceding fiscal year as provided in section  
 14 466B.55.

15 b. The tax applies whether the purchaser obtains permanent  
 16 use or less than permanent use of the specified digital  
 17 product, whether the sale is conditioned or not conditioned  
 18 upon continued payment from the purchaser, and whether the sale  
 19 is on a subscription basis or is not on a subscription basis.

20 ~~b.~~ c. The sale of a digital code that may be used to obtain  
 21 or access a specified digital product shall be taxed in the  
 22 same manner as the specified digital product. For purposes  
 23 of this paragraph, "*digital code*" means a method that permits  
 24 a purchaser to obtain or access at a later date a specified  
 25 digital product.

26 12. a. The sales tax rate of six percent is reduced to five  
 27 percent on January 1, 2051.

28 b. Notwithstanding paragraph "*a*", the following apply:

29 (1) If the sales tax rate is six and one-eighth percent,  
 30 the sales tax rate is reduced to five and one-eighth percent  
 31 on January 1, 2051.

32 (2) If the sales tax rate is six and two-eighths percent,  
 33 the sales tax rate is reduced to five and two-eighths percent  
 34 on January 1, 2051.

35 (3) If the sales tax rate is six and three-eighths percent,

1 the sales tax rate is reduced to five and three-eighths percent  
2 on January 1, 2051.

3     Sec. 105. Section 423.5, Code 2022, is amended to read as  
4 follows:

5     **423.5 Imposition of tax.**

6     ~~1. Except as provided in paragraph "b", an excise tax at the~~  
7 ~~rate of six percent of the purchase price or installed purchase~~  
8 ~~price is imposed on the following:~~

9     1. a. (1) The Except as provided in subsection 2, an  
10 excise tax of six percent of the purchase price is imposed on  
11 the use in this state of tangible personal property as defined  
12 in section 423.1, including aircraft subject to registration  
13 under section 328.20, purchased for use in this state. This  
14 subparagraph is repealed on the date that subparagraph (2)  
15 takes effect.

16     (2) Except as provided in subsection 2, an excise tax of six  
17 and one-eighth percent of the purchase price is imposed upon  
18 the use in this state of tangible personal property as defined  
19 in section 423.1, including aircraft subject to registration  
20 under section 328.20, purchased for use in this state. This  
21 subparagraph takes effect on July 1 of the fiscal year in which  
22 the department receives the first certification that commodity  
23 organizations have collected twenty million dollars from state  
24 assessments for clean water during the preceding fiscal year as  
25 provided in section 466B.55. This subparagraph is repealed on  
26 the date that subparagraph (3) takes effect.

27     (3) Except as provided in subsection 2, an excise tax of six  
28 and two-eighths percent of the purchase price is imposed upon  
29 the use in this state of tangible personal property as defined  
30 in section 423.1, including aircraft subject to registration  
31 under section 328.20, purchased for use in this state. This  
32 subparagraph takes effect on July 1 of the fiscal year in which  
33 the department receives the second certification that commodity  
34 organizations have collected twenty million dollars from state  
35 assessments for clean water during the preceding fiscal year as

1 provided in section 466B.55. This subparagraph is repealed on  
 2 the date that subparagraph (4) takes effect.

3 (4) Except as provided in subsection 2, an excise tax of six  
 4 and three-eighths percent of the purchase price is imposed on  
 5 the use in this state of tangible personal property as defined  
 6 in section 423.1, including aircraft subject to registration  
 7 under section 328.20, purchased for use in this state. This  
 8 subparagraph takes effect on July 1 of the fiscal year in which  
 9 the department receives the third certification that commodity  
 10 organizations have collected twenty million dollars from state  
 11 assessments for clean water during the preceding fiscal year  
 12 as provided in section 466B.55.

13 b. For the purposes of this subchapter, the furnishing  
 14 or use of the following services is also treated as the use  
 15 of tangible personal property: optional service or warranty  
 16 contracts, except residential service contracts regulated under  
 17 chapter 523C, vulcanizing, recapping, or retreading services,  
 18 engraving, printing, or binding services, and communication  
 19 service when furnished or delivered to consumers or users  
 20 within this state.

21 ~~b.~~ 2. An excise tax at the rate of five percent is imposed  
 22 on the use of vehicles subject only to the issuance of a  
 23 certificate of title and the use of manufactured housing, and  
 24 on the use of leased vehicles, if the lease transaction does  
 25 not require titling or registration of the vehicle, on the  
 26 amount subject to tax as calculated pursuant to section 423.26,  
 27 subsection 2.

28 ~~c.~~ 3. a. Purchases An excise tax at the rate of six  
 29 percent is imposed on the use of tangible personal property  
 30 or specified digital products made from the government of the  
 31 United States or any of its agencies by ultimate consumers  
 32 shall be subject to the tax imposed by this section. Services  
 33 purchased from the same source or sources shall be subject to  
 34 the service tax imposed by this subchapter and apply to the  
 35 user of the services. This paragraph is repealed on the date



1 that paragraph "b" takes effect.

2 b. An excise tax at the rate of six and one-eighth percent  
3 is imposed on the use of tangible personal property or  
4 specified digital products made from the government of the  
5 United States or any of its agencies by ultimate consumers  
6 shall be subject to the tax imposed by this section. Services  
7 purchased from the same source or sources shall be subject to  
8 the service tax imposed by this subchapter and apply to the  
9 user of the services. This paragraph takes effect on July 1  
10 of the fiscal year in which the department receives the first  
11 certification that commodity organizations have collected  
12 twenty million dollars from the state assessments for clean  
13 water during the preceding fiscal year as provided in section  
14 466B.55. This paragraph is repealed on the date that paragraph  
15 "c" takes effect.

16 c. An excise tax at the rate of six and two-eighths  
17 percent is imposed on the use of tangible personal property  
18 or specified digital products made from the government of the  
19 United States or any of its agencies by ultimate consumers  
20 shall be subject to the tax imposed by this section. Services  
21 purchased from the same source or sources shall be subject to  
22 the service tax imposed by this subchapter and apply to the  
23 user of the services. This paragraph takes effect on July 1  
24 of the fiscal year in which the department receives the first  
25 certification that commodity organizations have collected  
26 twenty million dollars from the state assessments for clean  
27 water during the preceding fiscal year as provided in section  
28 466B.55. This paragraph is repealed on the date that paragraph  
29 "d" takes effect.

30 d. An excise tax at the rate of six and three-eighths  
31 percent is imposed on the use of tangible personal property  
32 or specified digital products made from the government of the  
33 United States or any of its agencies by ultimate consumers  
34 shall be subject to the tax imposed by this section. Services  
35 purchased from the same source or sources shall be subject to

1 the service tax imposed by this subchapter and apply to the  
 2 user of the services. This paragraph takes effect on July 1  
 3 of the fiscal year in which the department receives the first  
 4 certification that commodity organizations have collected  
 5 twenty million dollars from the state assessments for clean  
 6 water during the preceding fiscal year as provided in section  
 7 466B.55.

8 ~~d.~~ 4. a. (1) The An excise tax at the rate of six percent  
 9 is imposed on the use in this state of services enumerated in  
 10 section 423.2. This subparagraph is repealed on the date that  
 11 subparagraph (2) takes effect.

12 (2) An excise tax of six and one-eighth percent of the  
 13 purchase price is imposed on the use in this state of services  
 14 enumerated in section 423.2. This subparagraph takes effect  
 15 on July 1 of the fiscal year in which the department receives  
 16 the first certification that commodity organizations have  
 17 collected twenty million dollars from state assessments for  
 18 clean water during the preceding fiscal year as provided in  
 19 section 466B.55. This subparagraph is repealed on the date  
 20 that subparagraph (3) takes effect.

21 (3) An excise tax of six and two-eighths percent of the  
 22 purchase price is imposed on the use in this state of services  
 23 enumerated in section 423.2. This subparagraph takes effect  
 24 on July 1 of the fiscal year in which the department receives  
 25 the second certification that commodity organizations have  
 26 collected twenty million dollars from state assessments for  
 27 clean water during the preceding fiscal year as provided in  
 28 section 466B.55. This subparagraph is repealed on the date  
 29 that subparagraph (4) takes effect.

30 (4) An excise tax of six and three-eighths percent of the  
 31 purchase price is imposed on the use in this state of services  
 32 enumerated in section 423.2. This subparagraph takes effect  
 33 on July 1 of the fiscal year in which the department receives  
 34 the third certification that commodity organizations have  
 35 collected twenty million dollars from state assessments for

1 clean water during the preceding fiscal year as provided in  
2 section 466B.55.

3 b. This The tax described in paragraph "a" is applicable  
4 where the service is first used in this state.

5 e. 5. a. (1) The An excise tax at the rate of six percent  
6 is imposed on the use in this state of specified digital  
7 products. This subparagraph is repealed on the date that  
8 subparagraph (2) takes effect.

9 (2) An excise tax at the rate of six and one-eighth  
10 percent is imposed on the use in this state of specified  
11 digital products. This subparagraph takes effect on July 1  
12 of the fiscal year in which the department receives the first  
13 certification that commodity organizations have collected  
14 twenty million dollars from the state assessments for clean  
15 water during the preceding fiscal year as provided in section  
16 466B.55. This subparagraph is repealed on the date that  
17 subparagraph (3) takes effect.

18 (3) An excise tax at the rate of six and two-eighths  
19 percent is imposed on the use in this state of specified  
20 digital products. This subparagraph takes effect on July 1 of  
21 the fiscal year in which the department receives the second  
22 certification that commodity organizations have collected  
23 twenty million dollars from the state assessments for clean  
24 water during the preceding fiscal year as provided in section  
25 466B.55. This subparagraph is repealed on the date that  
26 subparagraph (4) takes effect.

27 (4) An excise tax at the rate of six and three-eighths  
28 percent is imposed on the use in this state of specified  
29 digital products. This subparagraph takes effect on July 1  
30 of the fiscal year in which the department receives the third  
31 certification that commodity organizations have collected  
32 twenty million dollars from the state assessments for clean  
33 water during the preceding fiscal year as provided in section  
34 466B.55.

35 b. (1) The tax described in paragraph "a" applies whether

1 the purchaser obtains permanent use or less than permanent  
 2 use of the specified digital product, whether the use is  
 3 conditioned or not conditioned upon continued payment from the  
 4 purchaser, and whether the use is on a subscription basis or  
 5 is not on a subscription basis.

6 (2) The use of a digital code that may be used to obtain  
 7 or access a specified digital product shall be taxed in the  
 8 same manner as the specified digital product. For purposes of  
 9 this subparagraph, "*digital code*" means the same as defined in  
 10 section 423.2, subsection 10.

11 ~~2.~~ 6. The excise tax is imposed upon every person using  
 12 the property within this state until the tax has been paid  
 13 directly to the county treasurer, the state department of  
 14 transportation, a retailer, or the department. This tax is  
 15 imposed on every person using the services or the product of  
 16 the services in this state until the user has paid the tax  
 17 either to an Iowa use tax permit holder or to the department.

18 ~~3.~~ 7. For the purpose of the proper administration of the  
 19 use tax and to prevent its evasion, evidence that tangible  
 20 personal property or specified digital products were sold by  
 21 any person for delivery in this state shall be prima facie  
 22 evidence that such tangible personal property or specified  
 23 digital products were sold for use in this state.

24 ~~4.~~ 8. a. The use tax rate of six percent is reduced to  
 25 five percent on January 1, 2051.

26 b. Notwithstanding paragraph "*a*", the following apply:

27 (1) If the use tax rate is six and one-eighth percent, the  
 28 sales tax rate is reduced to five and one-eighth percent on  
 29 January 1, 2051.

30 (2) If the use tax rate is six and two-eighths percent, the  
 31 sales tax rate is reduced to five and two-eighths percent on  
 32 January 1, 2051.

33 (3) If the use tax rate is six and three-eighths percent,  
 34 the sales tax rate is reduced to five and three-eighths percent  
 35 on January 1, 2051.

1     Sec. 106. Section 423.14A, subsection 1, paragraph b,  
2 subparagraph (3), Code 2022, is amended to read as follows:

3     (3) A person who is not required to collect and remit  
4 automobile rental excise tax pursuant to section 423C.3,  
5 subsection 3, shall not be considered a "*marketplace*  
6 *facilitator*" with respect to any sale of a transportation  
7 service under section 423.2, subsection 6, paragraph "*bf*", or  
8 section 423.5, subsection 1, ~~paragraph *d*~~ 4, consisting of the  
9 rental of vehicles subject to registration which are registered  
10 for a gross weight of thirteen tons or less for a period of  
11 sixty days or less.

12     Sec. 107. Section 423.43, subsection 1, paragraph b, Code  
13 2022, is amended to read as follows:

14     *b.* Subsequent to the deposit into the general fund of the  
15 state and after the transfer of such revenues collected under  
16 chapter 423B, the department shall transfer ~~one-sixth~~ all of  
17 the following:

18     (1) If the department receives the first certification  
19 described in section 423.5, revenues equaling one-eighth of  
20 one percent of the tax imposed by that section to the natural  
21 resources and outdoor recreation trust fund created in section  
22 461.31.

23     (2) If the department receives the second certification  
24 described in section 423.5, revenues equaling two-eighths  
25 of one percent of the tax imposed by that section shall be  
26 transferred to the natural resources and outdoor recreation  
27 trust fund created in section 461.31.

28     (3) If the department receives the third certification  
29 described in section 423.5, revenues equaling three-eighths of  
30 one percent of the tax imposed by that section to the natural  
31 resources and outdoor recreation trust fund created in section  
32 461.31.

33     (4) (a) One-sixth of such remaining revenues to the secure  
34 an advanced vision for education fund created in section  
35 423F.2.

1     **(b)** This ~~paragraph~~ subparagraph is repealed January 1,  
2 2051.

3     Sec. 108. Section 423C.3, subsection 3, paragraph c, Code  
4 2022, is amended to read as follows:

5     c. The only sales the person and affiliates of the person  
6 facilitate that are subject to tax under **chapter 423** are sales  
7 of a transportation service under **section 423.2, subsection 6,**  
8 paragraph "bf", or **section 423.5, subsection 1,** ~~paragraph "d"~~ **4,**  
9 consisting of the rental of vehicles subject to registration  
10 which are registered for a gross weight of thirteen tons or  
11 less for a period of sixty days or less.

12     Sec. 109. Section 423C.3, subsection 4, Code 2022, is  
13 amended to read as follows:

14     4. For any rental transaction for which a person is  
15 required to or elects to collect and remit the tax under this  
16 chapter, the person shall also be liable for the collection  
17 and remittance of any sales or use tax due on that transaction  
18 under **section 423.2, subsection 6,** paragraph "bf", or section  
19 423.5, subsection 1, ~~paragraph "d"~~ **4,** notwithstanding any other  
20 provision to the contrary in **chapter 423.**

21     Sec. 110. NEW SECTION. **461.31A Allocation of trust fund**  
22 **moneys to the clean water fund.**

23     On or after July 1 of each fiscal year and prior to any  
24 allocations to a trust fund account, an amount shall be  
25 transferred to the general account of the clean water fund  
26 created in section 466B.51. The transferred amount shall equal  
27 the amount credited to the assessment account of the clean  
28 water fund during prior fiscal years.

29     Sec. 111. Section 461.32, subsection 1, Code 2022, is  
30 amended to read as follows:

31     1. A natural resources account is created in the trust  
32 fund. ~~Twenty-three~~ After the transfer has been made from the  
33 trust fund to the clean water fund pursuant to section 461.31A,  
34 twenty-three percent of the remaining moneys credited to the  
35 trust fund shall be allocated to the trust fund's natural

1 resources account.

2     Sec. 112. Section 461.33, subsection 1, Code 2022, is  
3 amended to read as follows:

4     1. A soil conservation and water protection account is  
5 created in the trust fund. ~~Twenty~~ After the transfer has been  
6 made from the trust fund to the clean water fund pursuant  
7 to section 461.31A, twenty percent of the remaining moneys  
8 credited to the trust fund shall be allocated to the trust  
9 fund's soil conservation and water protection account.

10    Sec. 113. Section 461.34, subsection 1, Code 2022, is  
11 amended to read as follows:

12    1. A watershed protection account is created in the trust  
13 fund. ~~Fourteen~~ After the transfer has been made from the trust  
14 fund to the clean water fund pursuant to section 461.31A,  
15 fourteen percent of the remaining moneys credited to the  
16 trust fund shall be allocated to the trust fund's watershed  
17 protection account.

18    Sec. 114. Section 461.35, Code 2022, is amended to read as  
19 follows:

20    **461.35 Iowa resources enhancement and protection fund —**  
21 **allocation.**

22    ~~Thirteen~~ After the transfer has been made from the trust  
23 fund to the clean water fund pursuant to section 461.31A,  
24 thirteen percent of the remaining moneys credited to the trust  
25 fund shall be allocated to the Iowa resources enhancement  
26 and protection fund created in [section 455A.18](#) for further  
27 allocation as provided in [section 455A.19](#).

28    Sec. 115. Section 461.36, subsection 1, Code 2022, is  
29 amended to read as follows:

30    1. A local conservation partnership account is created in  
31 the trust fund. ~~Thirteen~~ After the transfer from the trust  
32 fund has been made to the clean water fund pursuant to section  
33 461.31A, thirteen percent of the remaining moneys credited to  
34 the trust fund shall be allocated to the trust fund's local  
35 conservation partnership account.

1     Sec. 116. Section 461.37, subsection 1, Code 2022, is  
2 amended to read as follows:

3     1. A trails account is created in the trust fund. ~~Ten~~ After  
4 the transfer from the trust fund has been made to the clean  
5 water fund pursuant to section 461.31A, ten percent of the  
6 remaining moneys credited to the trust fund shall be allocated  
7 to the trust fund's trails account.

8     Sec. 117. Section 461.38, subsection 1, Code 2022, is  
9 amended to read as follows:

10    1. A lake restoration account is created in the trust fund.  
11 ~~Seven~~ After the transfer from the trust fund has been made to  
12 the clean water fund pursuant to section 461.31A, ten percent  
13 of the remaining moneys credited to the trust fund shall be  
14 allocated to the account.

15    Sec. 118. Section 466B.2, Code 2022, is amended by adding  
16 the following new subsection:

17    NEW SUBSECTION. 01. "Commission" means the clean water  
18 commission created in section 466B.52.

19    Sec. 119. Section 466B.3, subsections 1 and 2, Code 2022,  
20 are amended to read as follows:

21    1. *Council established.* A water resources coordinating  
22 council is established within the department of agriculture  
23 and land stewardship. The council shall carry out the  
24 powers and duties described in this section in accordance  
25 with the policies and under the direction and supervision of  
26 the commission. The council shall advise the commission as  
27 required by the commission.

28    2. *Purpose.* The purpose of the council shall be to advise  
29 the commission regarding strategies and methods to preserve  
30 and protect Iowa's water resources, and to coordinate the  
31 management of those resources in a sustainable and fiscally  
32 responsible manner. In the pursuit of this purpose providing  
33 advice to the commission and acting in accordance with its  
34 policies, and under its direction and supervision, the  
35 council shall use an integrated approach to water resource



1 management, recognizing that insufficiencies exist in current  
2 approaches and practices, as well as in funding sources and  
3 the utilization of funds. The integrated approach ~~used by the~~  
4 ~~council~~ shall attempt to overcome old categories, labels, and  
5 obstacles with the primary goal of managing the state's water  
6 resources comprehensively rather than compartmentally.

7 Sec. 120. Section 466B.3, subsection 3, unnumbered  
8 paragraph 1, Code 2022, is amended to read as follows:

9 The success of the ~~council's~~ efforts made under this  
10 subchapter shall ultimately be measured by the following  
11 outcomes:

12 Sec. 121. Section 466B.3, subsection 6, paragraph c, Code  
13 2022, is amended to read as follows:

14 c. The council, acting in accordance with the policies and  
15 under the direction and supervision of the commission, shall  
16 develop recommendations for policies and funding promoting a  
17 watershed management approach to reduce the adverse impact  
18 of future flooding on this state's residents, businesses,  
19 communities, and soil and water quality. The council and  
20 commission shall consider policies and funding options for  
21 various strategies to reduce the impact of flooding including  
22 but not limited to additional floodplain regulation; wetland  
23 protection, restoration, and construction; the promulgation  
24 and implementation of statewide storm water management  
25 standards; conservation easements and other land management;  
26 perennial ground cover and other agricultural conservation  
27 practices; pervious pavement, bioswales, and other urban  
28 conservation practices; and permanent or temporary water  
29 retention structures. In developing recommendations, the  
30 council and commission shall consult with hydrological and land  
31 use experts, representatives of cities, counties, drainage and  
32 levee districts, agricultural interests, and soil and water  
33 conservation districts, and other urban and regional planning  
34 experts.

35 Sec. 122. Section 466B.31, subsection 1, Code 2022, is

1 amended to read as follows:

2 1. a. A watershed planning advisory council is established  
3 for purposes of assembling a diverse group of stakeholders  
4 to review research and make recommendations to various state  
5 entities regarding methods to protect water resources in the  
6 state, assure an adequate supply of water, mitigate and prevent  
7 floods, and coordinate the management of those resources in  
8 a sustainable, fiscally responsible, and environmentally  
9 responsible manner.

10 b. The council shall carry out the powers and duties  
11 described in this section in accordance with the policies  
12 and under the direction and supervision of the commission.  
13 The council shall advise the commission as required by the  
14 commission.

15 c. The advisory commission shall supervise the council may  
16 seek in seeking input from councils of governments or other  
17 organizations in the development of its recommendations. The  
18 advisory council shall meet once a year and at other times as  
19 deemed necessary to meet the requirements of **this section**.  
20 The advisory council may appoint a task force to assist the  
21 advisory council in completing its duties.

22 Sec. 123. Section 466B.31, subsection 3, unnumbered  
23 paragraph 1, Code 2022, is amended to read as follows:

24 By December 1 of each year, the watershed planning advisory  
25 council with approval by the commission shall submit a report  
26 to the governor, the general assembly, the department of  
27 agriculture and land stewardship, the department of natural  
28 resources, and the water resources coordinating council. The  
29 report shall include recommendations regarding all of the  
30 following:

31 Sec. 124. Section 466B.42, Code 2022, is amended to read as  
32 follows:

33 **466B.42 Water quality initiative.**

34 ~~The division shall establish a~~ A water quality initiative  
35 is established in order to assess and reduce nutrients in

1 this state's watersheds, including subwatersheds and regional  
 2 watersheds, and for implementing its responsibilities under  
 3 the Iowa nutrient reduction strategy. The ~~division~~ commission  
 4 shall ~~establish~~ oversee and the division, acting in accordance  
 5 with the policies and under the direction and supervision of  
 6 the commission, shall administer the water quality initiative  
 7 and advise the commission as required by the commission. As  
 8 part of the initiative, the division shall administer projects  
 9 to reduce nutrients in surface waters from nonpoint sources  
 10 in a scientific, reasonable, and cost-effective manner. The  
 11 division shall utilize a pragmatic, strategic, and coordinated  
 12 approach with the goal of accomplishing reductions over time.  
 13 To evaluate the progress achieved over time toward the goals  
 14 of the Iowa nutrient reduction strategy and the United States  
 15 environmental protection agency gulf hypoxia action plan, the  
 16 baseline condition shall be calculated for the time period from  
 17 1980 to 1996.

18     Sec. 125. NEW SECTION.   **466B.51 Clean water fund.**

19     1. A clean water fund is created in the state treasury  
 20 under the management and control of the clean water commission.  
 21 The clean water fund is composed of a general account, an  
 22 assessment account, and an expenditures account.

23     2. The clean water fund's general account includes moneys  
 24 transferred from the natural resources and outdoor recreation  
 25 trust fund pursuant to section 461.31A, moneys appropriated  
 26 to the general account from the general assembly, and other  
 27 moneys available to and obtained or accepted by the commission,  
 28 including moneys from public or private sources. However, the  
 29 general account shall not include moneys transferred from a  
 30 commodity organization as described in subsection 3. Except as  
 31 provided in subsection 3, all moneys received by the commission  
 32 for deposit into the clean water fund shall be credited to the  
 33 general account.

34     3. The clean water fund's assessment account includes the  
 35 following moneys collected and transferred to the account from

1 the following commodity organizations:

2     *a.* The Iowa dairy industry commission as established in  
3 chapter 179 or the Iowa state dairy association as recognized  
4 in that chapter, which shall transfer moneys collected from the  
5 state assessment for clean water as provided in that chapter,  
6 including section 179.5.

7     *b.* The Iowa beef cattle producers association as established  
8 in chapter 181 which shall transfer moneys from the state  
9 assessment as provided in that chapter, including section  
10 181.13.

11     *c.* The Iowa sheep and wool promotion board established  
12 pursuant to chapter 182 which shall transfer moneys from the  
13 state assessment as provided in that chapter, including section  
14 182.18.

15     *d.* The Iowa pork producers council as established in chapter  
16 183A, or the Iowa pork producers association as recognized  
17 in that chapter, which shall transfer moneys from the state  
18 assessment as provided in that chapter, including section  
19 183A.7.

20     *e.* The Iowa egg council as established in chapter 184 which  
21 shall transfer moneys from the state assessment as provided in  
22 that chapter, including section 184.13.

23     *f.* The Iowa turkey marketing council as established in  
24 chapter 184A which shall transfer moneys from the state  
25 assessment as provided in that chapter, including section  
26 184A.4.

27     *g.* The Iowa soybean association as recognized in chapter  
28 185 which shall transfer moneys from the state assessment as  
29 provided in that chapter, including section 185.26.

30     *h.* The Iowa corn promotion board as established in chapter  
31 185C which shall transfer moneys from the state assessment as  
32 provided in that chapter, including section 185C.26.

33     4. The clean water fund's expenditures account only  
34 includes moneys transferred from the general account and the  
35 state assessment account as provided in this section.

1     5. *a.* Moneys in the clean water fund shall not be used for  
2 any purpose other than described in this section.

3     *b.* Moneys in the general account shall not be used for any  
4 purpose other than for transfer to the expenditures account.

5     *c.* Moneys in the assessment account shall not be used for  
6 any purpose other than to do the following:

7       (1) Pay administrative expenses which are limited to all of  
8 the following:

9       (a) Reimbursing the department of agriculture and land  
10 stewardship or a commodity organization for all reasonable  
11 costs of conducting a referendum to determine if a state  
12 assessment for clean water is to be established, continued, or  
13 terminated. The division shall apply to the executive council  
14 if necessary to receive moneys required to pay for reasonable  
15 costs of conducting a referendum as provided in section 7D.10B.

16       (b) Remitting refunds of moneys to persons who have paid a  
17 state assessment for clean water to a commodity organization,  
18 if the application for a refund has been approved by the  
19 commodity organization and submitted to the department as  
20 required by the division of soil conservation and water  
21 quality.

22       (c) Paying reasonable expenses associated with the  
23 collection and transfer of moneys associated with the  
24 collection of the state assessment for clean water and the  
25 processing of refund applications associated with such  
26 collection.

27       (d) Transfer remaining moneys to the expenditures account  
28 as provided in this section.

29     6. Moneys in the fund's expenditures account are  
30 appropriated to the clean water commission to support programs  
31 and projects administered to improve the state's watersheds  
32 and surface waters, including but not limited to projects  
33 associated with the water quality initiative established  
34 pursuant to section 466B.42. Moneys in the expenditures  
35 account shall be used to support soil conservation and

1 watershed protection, the installation of conservation  
2 practices, and watershed protection improvements as provided in  
3 chapters 161A, 161C, 461A, and 466. Moneys in the expenditures  
4 account shall also be used to support water quality programs  
5 and projects administered by the Iowa finance authority under  
6 chapter 16.

7 7. Notwithstanding section 8.33, moneys in the clean  
8 water fund shall not revert. Notwithstanding section 12C.7,  
9 subsection 2, interest or earnings on moneys in the fund shall  
10 be credited to the fund.

11 Sec. 126. NEW SECTION. **466B.52 Clean water commission —**  
12 **appointment and administration.**

13 1. A clean water commission is created which shall be housed  
14 in the division of soil conservation and water quality of the  
15 department of agriculture and land stewardship.

16 2. The commission shall be comprised of nine voting members  
17 appointed by the governor.

18 3. The commission shall also be comprised of four  
19 legislative members who shall serve in a nonvoting, ex officio  
20 capacity. The legislative members shall include all of the  
21 following:

22 a. Two members of the senate. One senator shall be  
23 appointed by the majority leader of the senate and one senator  
24 shall be appointed by the minority leader of the senate.

25 b. Two members of the house of representatives. One  
26 member shall be appointed by the speaker of the house of  
27 representatives and one member shall be appointed by the  
28 minority leader of the house of representatives.

29 4. The commission shall also be comprised of persons  
30 appointed by commodity organizations described in section  
31 466B.51 who shall serve in a nonvoting, ex officio capacity.  
32 Each commodity organization may appoint one person if producers  
33 who are members of the commodity organization have approved  
34 the establishment of a state assessment for clean water to be  
35 transferred to the clean water fund created in section 466B.51.

1     5. Voting members shall serve four-year terms and may be  
2 reappointed. The initial terms of the voting members shall  
3 be staggered at the discretion of the governor. Nonvoting  
4 members shall serve at the pleasure of the persons or commodity  
5 organizations making their appointments.

6     6. Sections 69.16, 69.16A, and 69.19 apply to the  
7 voting members. The voting members are subject to senate  
8 confirmation.

9     7. *a.* A member, other than a legislative member, is  
10 eligible to receive compensation as provided in section 7E.6,  
11 and shall be reimbursed for actual and necessary expenses  
12 incurred in performance of the members' duties. All expenses  
13 shall be paid from appropriations for such purposes and the  
14 commission shall be subject to the budget requirements of  
15 chapter 8.

16    *b.* A legislative member serves for a term as provided in  
17 section 69.16B and is eligible for per diem and expenses as  
18 provided in section 2.10.

19     8. The commission shall meet in January of each year for the  
20 purpose of electing one of its voting members as chairperson.

21     9. The commission shall meet on a regular basis and at the  
22 call of the chairperson or upon the written request to the  
23 chairperson of five or more voting members. Written notice  
24 of the time and place of the meeting shall be given to each  
25 member.

26     10. A majority of voting members constitutes a quorum,  
27 and the affirmative vote of a majority of the voting members  
28 is necessary for any action taken by the board, except that a  
29 lesser number may adjourn a meeting.

30     11. Any vacancy in the membership of the commission shall  
31 be filled in the same manner as regular appointments are made  
32 for the unexpired portion of the regular term. A vacancy in  
33 the membership of the commission does not impair the rights of  
34 a quorum to exercise all rights and perform all duties of the  
35 commission.

1     12. A person shall not serve as a member of the commission  
2 if the person has an interest in a contract or job of work or  
3 material or the profits thereof or service to be performed  
4 for the department of agriculture and land stewardship or  
5 department of natural resources. Any member of the commission  
6 who accepts employment with or acquires any stock, bonds, or  
7 other interest in any company or corporation doing business  
8 with the department of agriculture and land stewardship or the  
9 department of natural resources shall be disqualified from  
10 remaining a member of the commission.

11     13. The department of agriculture and land stewardship in  
12 cooperation with the department of natural resources shall  
13 assist the commission by doing all of the following:

14     a. Providing the commission with necessary facilities,  
15 items, and clerical support.

16     b. Performing administrative functions necessary for the  
17 management of the commission.

18     Sec. 127. NEW SECTION.   **466B.53 Clean water commission —**  
19 **powers and duties.**

20     1. The purpose of the clean water commission is to identify  
21 and finance methods to improve surface water quality, including  
22 by reducing contributing contaminant loads to receiving surface  
23 waters and reducing soil erosion and sediment loss.

24     2. In furthering the purpose set forth in subsection 1, the  
25 clean water commission shall do all of the following:

26     a. Develop comprehensive water quality policies and plans  
27 that identify existing plans, programs, and projects. The  
28 commission shall use existing data and amend, augment, and  
29 consolidate existing plans or strategies which have improved or  
30 which promise to improve water quality.

31     b. Identify additional water quality improvement needs on a  
32 watershed basis, including the need to develop new or innovate  
33 programs or projects.

34     c. Measure the effectiveness and results of programs and  
35 projects according to performance measures and associated



1 benchmarks. The data demonstrating accountability collected by  
2 the department shall be made readily available and maintained  
3 in a computer-readable format.

4 3. The clean water commission shall establish objectives  
5 of programs described in subsection 2 to be achieved by  
6 dates identified by the commission which may include program  
7 timelines and milestones. The commission shall measure and  
8 monitor progress toward achieving program objectives.

9 4. The commission shall develop comprehensive water quality  
10 policies and plans that integrate existing plans, programs,  
11 and projects in accordance with the Iowa nutrient reduction  
12 strategy. The commission shall use existing data and amend,  
13 augment, and consolidate existing plans or strategies which  
14 have improved or which promise to improve water quality. The  
15 commission shall also develop new comprehensive water quality  
16 policies and plans that integrate existing plans, programs, and  
17 projects. The information collected by the department shall be  
18 made readily available and maintained in a computer-readable  
19 format.

20 5. The commission shall identify additional water quality  
21 improvement needs on a watershed basis, including the need to  
22 develop new or innovate programs or projects.

23 6. By October 1, 2024, and by October 1 of each year  
24 thereafter, the commission shall submit a report to the  
25 governor and the general assembly used to support the programs  
26 described in subsection 2. A report shall include all of the  
27 following:

28 a. A description and update of the current status of water  
29 quality programs and associated projects, and the expenditure  
30 of moneys appropriated to support the programs and associated  
31 projects administered by state entities, including but not  
32 limited to the department of agriculture and land stewardship,  
33 the department of natural resources, Iowa state university  
34 of science and technology, the Iowa finance authority, and  
35 watershed management authorities.

1     *b.* An evaluation of the successes and failures of a  
2 water quality program and any associated project in meeting  
3 the program's objectives. The report shall include any  
4 legislative proposals to enact, amend, or repeal statutes and  
5 any administrative proposals to adopt, revise, or rescind  
6 administrative rules.

7     7. The Iowa finance authority, the department of natural  
8 resources, and the department of agriculture and land  
9 stewardship shall cooperate with the commission in providing  
10 the commission with all information necessary for the  
11 commission to carry out the provisions of this section.

12     Sec. 128. NEW SECTION.   **466B.54 Clean water commission —**  
13 **report.**

14     1. The clean water commission, in cooperation with the  
15 department of agriculture and land stewardship, the department  
16 of natural resources, and the Iowa finance authority shall  
17 prepare and submit a clean water evaluation and expenditure  
18 report to the governor and general assembly by January 15,  
19 2024.

20     2. The clean water evaluation and expenditure report shall  
21 include all of the following:

22     *a.* A description of current clean water programs and  
23 projects, and the expenditure of moneys appropriated to  
24 support those programs and projects. The report shall evaluate  
25 successes and failures of each program and project in meeting  
26 water quality objectives. The report may also recommend  
27 methods to improve the program.

28     *b.* A plan for allocating moneys in the expenditures account  
29 of the clean water fund created in section 466B.51. The plan  
30 shall include a formula which takes into account the extent to  
31 which moneys may be used for all of the following:

32         (1) Watersheds requiring immediate improved surface water  
33 quality.

34         (2) The establishment of infrastructure, conservation  
35 measures, and practices that reduce contributing nutrient

1 loads, associated sediment, or contaminants from nonpoint  
2 sources to surface waters in a scientific, reasonable, and  
3 cost-effective manner.

4 (3) The administration of programs or projects in a manner  
5 that is consistent with the Iowa nutrient reduction strategy.

6 (4) The degree to which political subdivisions or  
7 stakeholders have demonstrated a willingness and have the  
8 resources to participate in programs or projects.

9 (5) The degree to which clean water programs can attract  
10 additional funding from private and public sources including  
11 federal funding.

12 3. The clean water evaluation and expenditure report shall  
13 include a detailed plan for consolidating all water quality  
14 and soil conservation initiatives and programs and associated  
15 projects administered by the department of agriculture and  
16 land stewardship, the department of natural resources, and the  
17 Iowa finance authority under the overall supervision of the  
18 commission. The plan shall include any legislative proposals  
19 to enact, amend, or repeal statutes and any administrative  
20 proposals to adopt, revise, or rescind administrative rules.

21 4. This section is repealed July 1, 2024.

22 Sec. 129. NEW SECTION. **466B.55 Secretary of agriculture,**  
23 **treasurer of state, and auditor of state — certifications.**

24 1. By March 1 of each fiscal year, the secretary of  
25 agriculture, the treasurer of state, and the auditor of state  
26 shall meet to certify that one or more commodity organizations  
27 are collecting a state assessment for clean water as described  
28 in section 466B.51. The secretary of agriculture shall prepare  
29 a certification for delivery to the Iowa administrative code  
30 editor for publication in the Iowa administrative bulletin.

31 2. By March 1 of each fiscal year, the secretary of  
32 agriculture, the treasurer of state, and the auditor of state  
33 shall together verify the total amount of moneys collected  
34 by all commodity organizations certified under subsection 1  
35 during the preceding fiscal year. If a commodity organization

1 was certified after the end of the preceding fiscal year, the  
2 commodity organization shall be deemed to have collected a  
3 state assessment for clean water at the rate in effect on the  
4 date of the commodity organization's certification.

5 3. By April 1 of each fiscal year when the secretary of  
6 agriculture, the treasurer of state, and the auditor of state  
7 verify that during the preceding fiscal year twenty million  
8 dollars was collected by all commodity organizations under  
9 subsection 2, the secretary of agriculture shall prepare a  
10 certification for delivery to all of the following:

11 a. The director of revenue.

12 b. The administrative code editor who shall publish the  
13 certification in the Iowa administrative bulletin.

14 c. The Iowa Code editor.

15 4. This section is repealed on July 1 of the fiscal year in  
16 which the secretary of agriculture prepares and delivers the  
17 third certification as required in subsection 3.

18 DIVISION X

19 ADMINISTRATION

20 Sec. 130. NAME CHANGE TO REFERENDUM FOR DIRECT USE. This  
21 Act does not require the department of agriculture and land  
22 stewardship or a commodity organization described in section  
23 466B.51, as enacted in this Act, to conduct a referendum  
24 because of this Act's reference to a referendum as a referendum  
25 for direct use.

26 EXPLANATION

27 The inclusion of this explanation does not constitute agreement with  
28 the explanation's substance by the members of the general assembly.

29 This bill relates to agricultural commodity organizations  
30 representing producers of that commodity that are authorized  
31 to impose an excise tax or "assessment" (and commonly referred  
32 to as a "checkoff") on the commodity when first sold by the  
33 producer to a first purchaser. The goal of the assessment  
34 is to fund promotional activities which involve market  
35 development, research, and education. The bill refers to this

1 tax as an assessment (or state assessment) for direct use.  
2 The commodity organizations include the Iowa dairy industry  
3 commission or Iowa state dairy association (Code chapter 179),  
4 Iowa beef cattle producers association (Code chapter 181), Iowa  
5 sheep and wool promotion board (Code chapter 182), Iowa pork  
6 producers council or Iowa pork producers association (Code  
7 chapter 183A), Iowa egg council (Code chapter 184), the Iowa  
8 turkey marketing council (Code chapter 184A), the Iowa soybean  
9 association (Code chapter 185), and the Iowa corn promotion  
10 board (Code chapter 185C). The bill requires a commodity  
11 organization to establish a separate tax referred to as a  
12 state assessment for clean water, if approved by a majority of  
13 its members at a referendum. The bill also requires certain  
14 commodity organizations to conduct a special referendum to  
15 increase the rate of the assessment for clean water. The rate  
16 of the state assessment for clean water is established by the  
17 governing body of the commodity organization not to exceed the  
18 assessment for direct use or national (federal) assessment or  
19 both. The referendum would be conducted in the same manner  
20 as an initial, special, or succeeding referendum conducted by  
21 the commodity organization under its specific Code chapter. A  
22 special state assessment for clean water if imposed could be  
23 continued or terminated in the same manner as the commodity  
24 organization's assessment for direct use. Moneys from the  
25 state assessment for clean water would be collected by the  
26 commodity organization and transferred to a newly created clean  
27 water fund.

28 The bill establishes a clean water commission housed in  
29 the division of soil conservation and water quality of the  
30 department of agriculture and land stewardship. The commission  
31 is composed of nine voting members appointed by the governor,  
32 four legislative members who serve in a nonvoting, ex officio  
33 capacity, and persons appointed by the commodity organizations,  
34 who also serve in a nonvoting, ex officio capacity.  
35 Appointments are contingent on the commodity organization

1 having approved the establishment of a state assessment for  
2 clean water to be transferred to the clean water fund. The  
3 purpose of the commission is to finance methods to improve  
4 surface water quality, including by reducing contributing  
5 contaminant loads to receiving surface waters and reducing soil  
6 erosion and sediment loss. The commission is responsible for  
7 overseeing the water quality initiative as administered by the  
8 division of soil conservation and water quality.

9 Moneys collected from the state assessment for clean  
10 water are to be credited to the clean water fund which  
11 is under the supervision of the commission. The fund is  
12 composed of a general account, an assessment account, and an  
13 expenditures account. The fund's general account includes  
14 moneys transferred from the constitutionally protected natural  
15 resources and outdoor recreation trust fund (Code section  
16 461.31), moneys appropriated by the general assembly, and other  
17 moneys available to and obtained or accepted by the commission.  
18 Moneys collected from the state assessment for clean water  
19 are to be credited to the assessment account. The bill also  
20 includes an expenditures account which only includes moneys  
21 transferred from the general account and the assessment account  
22 for purposes of financing methods to improve surface water  
23 quality. Moneys transferred from the assessment account are  
24 to be used to reimburse the department of agriculture and land  
25 stewardship or a commodity organization for reasonable costs  
26 of conducting a referendum to determine if a state assessment  
27 for clean water is to be established, continued, or terminated.  
28 The commission can also apply to the executive council for  
29 moneys required to pay for reasonable costs of conducting a  
30 referendum. Moneys deposited into the expenditures account  
31 may also be used to pay refunds to producers who have paid the  
32 state assessment for clean water if the refund application has  
33 been approved by the commodity organization.

34 The bill provides for possible progressive increases  
35 in state sales and use taxes. An increased amount must be

1 credited to the natural resources and outdoor recreation trust  
2 fund according to a constitutional amendment (Article VII,  
3 section 10). The amount credited to the fund must be equal  
4 to the amount generated by an increase in the state sales tax  
5 rate occurring after the effective date of the constitutional  
6 amendment, not to exceed a rate of three-eighths of one percent  
7 (0.375). The state sales tax rate has not been increased since  
8 before November 2, 2010, the date when the constitutional  
9 amendment was ratified. The bill provides that an increase of  
10 one-eighth of one percent in the sales tax is triggered each  
11 of three fiscal years when the secretary of agriculture, the  
12 treasurer of state, and the auditor of state certify that a  
13 total of \$20 million in state assessments for clean water was  
14 collected by participating commodity organizations during the  
15 preceding fiscal year. The bill revises the allocations from  
16 the natural resources and outdoor recreation trust fund as  
17 set forth in statute (Code chapter 461). On July 1 of each  
18 fiscal year, an amount of moneys in the Code chapter 461 trust  
19 fund equal to the amount in the clean water fund's assessment  
20 account is to be transferred to the clean water fund's general  
21 account. The moneys remaining in the Code chapter 461 trust  
22 fund are to be allocated on a percentage basis as set forth in  
23 statute.

24 The commission, in cooperation with the department of  
25 agriculture and land stewardship, the department of natural  
26 resources, and the Iowa finance authority, must submit a  
27 report to the governor and general assembly by January 15,  
28 2024, which includes a description of current clean water  
29 programs and projects and a detailed plan for consolidating all  
30 water quality and soil conservation initiatives and programs  
31 and associated projects administered by the department of  
32 agriculture and land stewardship, the department of natural  
33 resources, and the Iowa finance authority under the overall  
34 supervision of the commission.